

Toledo Economic Opportunities Analysis



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Introduction

In 2001, the City of Toledo adopted its current Comprehensive Plan, which guides decisions about growth, development and services in the community. The policies, goals, and land use map included in the Plan are supported by a series of background documents and inventories which describe current conditions and trends and also project growth and development patterns twenty years into the future. This analysis will be adopted as a background inventory, updating any preceding Economic Opportunities Analyses and constituting an amendment to the Comprehensive Plan. While inventory documents such as these are based on the best data available, it is impossible to predict every trend and economic development opportunity, and therefore it will be important for the community to periodically revisit the Plan and this document to ensure consistency with the community's vision for future growth, development, and services.

This update was predicated by the City's desire to update the Toledo Comprehensive Plan and development code to better reflect community aspirations and current trends related to industrial development, and will thus focus on industrial and related opportunities. While the data included in this EOA will help the City to understand broader retail, service, professional, and other types of employment trends, they are not the focus of this analysis.

This Economic Opportunities Analysis (EOA) was prepared by the City of Toledo and the Oregon Cascades West Council of Governments under a technical assistance grant from the Department of Land Conservation and Development (DLCD). The objectives of this EOA are to comply with Oregon Statewide Planning Goal 9 (Economic Development), which requires cities to maintain adequate supplies of industrial and other employment lands to sustain projected economic activity and to help determine what steps the City can take to better deploy its assets to take advantage of economic opportunities in a manner consistent with the aspirations of the community.

EOA Process

This Economic Opportunities Analysis begins with a review of the City's current economic development objectives and an introduction to the community of Toledo, including the area's demographic and employment characteristics. Using projections from the Portland State University Population Research Center and the Oregon Employment Department, this analysis then reports projected growth patterns and discusses how they may play out on the local level. Due to data availability, the base year used throughout the analysis is 2008. The projections are further refined into specific business sectors using information gathered during stakeholder interviews, community meetings, and from other local and regional data sources.

With these specific sectors and their associated site needs identified, an inventory of industrial land was completed to look for sites suitable to accommodate the projected needs. Using GIS analysis, site visits and Lincoln County Assessor data, industrial land in the Toledo city limits and urban growth boundary were reviewed on a parcel-by-parcel basis to determine buildable areas. Constrained or developed areas were removed from the inventory. The resulting suitable sites analysis informs policy and code recommendations, which are included at the end of the report.

Toledo Economic Development Objectives

The 2001 Comprehensive Plan outlines numerous economic development goals and objectives, which are listed below. These will be considered during the EOA process, along with community survey results and stakeholder interviews, and any recommended updates to these goals and objectives will be included in the final recommendations.

Comprehensive Plan Goals and Objectives

The Toledo Comprehensive Plan, as adopted in 2001, outlines six economic development goals and seventeen objectives:

Goals

1. Improve the economic position of all elements of Toledo's economic base by retaining and expanding the current businesses while recruiting new businesses into the community.
2. Ensure an adequate supply of appropriately zoned land to provide for the full range of economic development opportunities in Toledo including commercial, industrial, water-dependent, office and institutional service development.
3. Diversify the economic base of the Toledo area and strengthen the role as the industrial center for Lincoln County.
4. Encourage employment and business opportunities that assist Toledo's residents to maintain the highest per household average income in Lincoln County.
5. Assure that regulatory requirements provide for high standards of public health, safety, environmental protection, and welfare but are structured to support economic development.
6. Provide opportunities to develop the full range of commercial, recreational, and professional services to meet the needs of Toledo's residents and others. Reduce the need for Toledo's residents to go to other communities for retail purchases and services.

Objectives

1. Promote Toledo's economic, social and cultural image and market Toledo throughout the state and region and where appropriate, at the national and international levels.
2. Develop a marketing and business recruitment plan and program to support existing businesses and encourage new business location/development within Toledo. Improve signage, public interest stories and marketing programs to encourage tourists to visit and shop in Toledo and to reduce "leakage" of Toledo dollars to outside markets.
3. Develop codes and standards which ensure that business and industry maintain the environmental quality important to Toledo's residents and shoulder a fair share allocation of the costs of providing and maintaining public services but that also eliminate unnecessary delays, inconsistencies, conflicts and ambiguities in municipal codes, standards and procedures.

4. Improve and maintain all public infrastructure facilities (e.g. transportation, water, wastewater, storm water and communication) to support the ability of local businesses to compete effectively in the world marketplace. Encourage and support state and federal agencies to improve and maintain public infrastructure facilities to allow Toledo-based businesses to compete in the world marketplace.
5. Continue to participate in and support local and regional coordination of economic development planning.
6. Enhance Toledo's potential for economic development associated with its location as the transportation hub of Lincoln County with rail, water and highway transportation linkages, facilities, and communications.
7. Maintain Toledo's economic strength in the wood products, fishing and other resource based industries while diversifying the industrial base within the community.
8. Complete the infrastructure improvements market and sell or lease-out the Toledo Industrial Park complex.
9. Protect waterfront area use and promote its economic strength.
10. Maintain and strengthen Toledo's position as a tourist destination with shopping, recreational, and entertainment opportunities.
11. Recognize and promote community events as:
 - a. Potential positive economic impacts.
 - b. Important community promotional activities demonstrating the abilities, talents, and resources of the community and its residents.
 - c. Tools to develop local pride and community identity.
12. Recognize and support Toledo's unique historic character as a major cultural and tourist-oriented economic resource.
13. Enhance and promote Toledo's commercial centers, e.g. on Main Street and a portion of Business Loop Highway 20, through public and private improvement and marketing programs.
14. Renovate and improve the Main Street Downtown area as a tourist destination and the cultural, financial, commercial, entertainment, business, multi-family housing and government center of Toledo and east Lincoln County.
15. Promote Toledo's role as a center for working artists and art galleries, antique and specialty shops, incubator businesses, restaurants, and entertainment activities.
16. Allow appropriate home business occupations within residential districts to accommodate the needs of those engaged in small business ventures. Appropriate home occupations are those compatible with the surrounding neighborhoods and that have the appearance and impacts of a residence.

17. Support Toledo's educational resources as being vital to the social and economic well-being of the community and the success of the local businesses in maintaining a trained employment base.

Stakeholder Interviews

Stakeholder interviews were completed during July and August of 2010 with staff from local and regional economic development entities, the City of Toledo, local business owners and others to help identify employment and development trends and future growth areas in Toledo and Lincoln County. Stakeholder interview notes are included as Appendix A.

Community Survey

A community survey was distributed to all Toledo residents during September 2010. The survey instrument was designed to gather input regarding the residents' vision for jobs and industrial growth in Toledo. The survey instrument is included as Appendix B and the survey results are included as Appendix C.

Previous Studies

In addition to comprehensive planning activities completed by the City of Toledo, several significant studies were referenced for this report. These studies were completed with assistance from the Oregon Mainstreet Program, of which Toledo is a participant. These are: the *Resource Team Report* (2009), *The Community's Vision for Downtown Toledo* (2010), and the *Toledo Retail Market Analysis and Business Development Plan* (2010).

Several Port of Toledo planning documents were also referenced for this report, including the *Port of Toledo Waterfront Development Strategic Plan* (2007), the *Toledo Waterfront Connectivity Plan* (2009), the *Ship/Boatyard Repair Facility Feasibility Study* (2008), and the *Shipyard/Boatyard Business Plan* (2009).

The Toledo Community and Economy

The City of Toledo is located in Lincoln County, Oregon at the base of the Coast Range, seven miles inland from the Pacific Ocean. The city is framed by forested foothills and the Yaquina River system, both of which have contributed greatly to the city's historic growth as a timber town and port city. US Highway 20 passes through the northern part of town, while Business Highway 20 connects with the historic downtown shopping district. The city covers nearly 2,000 acres and had an estimated population of 3,645 in 2009¹. Set back from the ocean, the community enjoys warmer and sunnier weather than many coast communities.

This section will review the current and historic demographic and employment characteristics of the community, and will use data from the Oregon Employment Department and Portland State University Population Research Center to project future growth patterns. Other information sources utilized for this analysis include stakeholder interviews, Business Oregon, the U.S. Census Bureau and the State of Oregon Economic and Community Development Department.

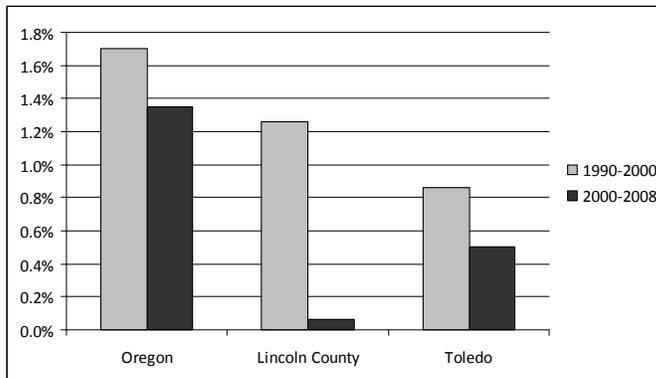
Population and Demographic Trends

Population Growth

Toledo has maintained a stable population in recent decades, with an average annual growth rate of approximately 1% a year. In 2008, the base year for this data analysis, the City of Toledo had an estimated population of 3,610.¹ This represents 8% of the Lincoln County's estimated population of 44,175 during the same year.

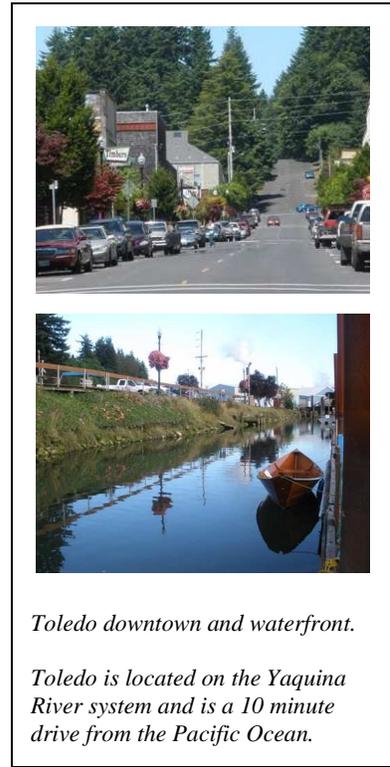
Population growth in both Lincoln County and Toledo has been much slower than the rest of Oregon since 2000. According to the Portland State University Population Research Center, population growth was 10.8% across Oregon between 2000-2008. Growth in Lincoln County was 0.5% during this period, and Toledo grew by 4%.

Figure 1: Average Annual Population Growth Rates



Source: Portland State University, Population Research Center

¹ This analysis was completed during 2010, prior to the release of 2010 Census data, and reflects the most current data available.



Toledo downtown and waterfront.

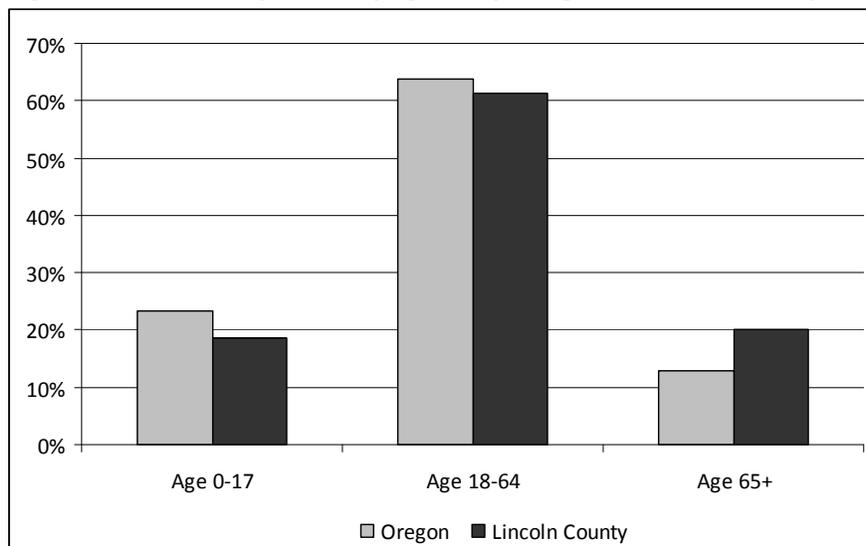
Toledo is located on the Yaquina River system and is a 10 minute drive from the Pacific Ocean.

Demographics

The majority of Oregon’s population growth is from net in-migration, and in Lincoln County many of those new residents are retirees. 2008 estimates show that 20.2% of Lincoln County’s population was 65 or older, while the statewide average was 12.8%.² 61.2% of Lincoln County residents were between the ages of 18-64 and 18.6% were under the age of 18. The slow influx of retirees to Lincoln County and much of the Oregon Coast has had a stabilizing effect on the regional economy, maintaining population levels and a more consistent demand for retail, professional and medical services as current residents in other age groups move elsewhere. Residents in this age group are generally on a fixed income, and most do not add to the pool of potential employees.

In addition to the retirees moving to Lincoln County, many current residents are retiring. In Lincoln County, as well as the rest of the United States, the retirement of the baby-boomer generation will have a two-sided impact on local economies – job openings due to worker replacement will continue to increase; however, regions may struggle to find qualified workers. In Region 4 (including Linn, Lincoln and Benton Counties), 72% of all projected employment growth will be in replacement openings, with the highest percentage of replacements being in professional fields, production, natural resources, and skilled labor.³

Figure 2: Percent of Population by Age Group: Oregon and Lincoln County



Source: Portland State University, Population Research Center

The most recent data available indicates that 80.3% of Toledo residents were high school graduates in 2008 and 14.7% had a bachelors degree or higher. Educational attainment levels in Toledo were lower than in Lincoln County and Oregon, where 84.9% and 85.1% were high school graduates, respectively. In the County and Oregon, 20.8% and 25.1% held a bachelors degree or higher, respectively.⁴ Although U.S. Census data was not available for Toledo beyond 2000 at the time this analysis was completed, 2006-2008 American Community Survey data for Lincoln County indicates that the education attainment level has increased; 89.9% of County residents were high school graduates and 23.0% were college graduates or higher during that time period⁵

Although educational attainment levels may be historically lower in Toledo than elsewhere, 2000 U.S. Census data for Toledo indicates that it has a higher percentage of residents in the workforce

(64.1%) than the rest of the County (58.3%). Toledo's numbers were similar to the rest of Oregon (65.2%). While these numbers certainly have changed since 2000, especially within the past several years, they were the most recent numbers available for small communities like Toledo at the time this analysis was completed. The numbers can still be used to make a general comparison of demographic patterns between Toledo, Lincoln County and the State.

According to Oregon Employment Department statistics from 2008, 52.4% of the Lincoln County workforce (aged 16 and older) was female and 12% were of minority status. Statewide, 50.7% of the workforce was female and 17.0% was of minority status.⁶

Population Projections

To help determine how these historic population trends will influence land needs and employment growth in upcoming decades, the state requires each county to adopt a coordinated population forecast, pursuant to ORS 195. If a county has not completed one, it may adopt a forecast completed by the Oregon Office of Economic Analysis (OEA) and assume that urban areas within that county will maintain a share of the projected population equal to the current share (OAR 660-024-0030). Because Lincoln County has not completed a coordinated population forecast, this analysis will use the OEA projections. The OEA projects Lincoln County to grow to 53,710 residents by 2030, and the City of Toledo to grow to 4,297 residents based on its current share of the countywide population. These projections are shown in Table 1.

Since 1990, Toledo's growth rate has been steady, with an average of approximately 1% a year. Similarly, the city has maintained approximately 8% of the total Lincoln County population since 1990. Projections for Toledo are based on the assumption that the city will continue to maintain 8% of Lincoln County's future population growth.

Table 1: Toledo Population History

Year	Toledo Population	Growth Period	Toledo Annual Growth Rate	Lincoln County Population	Lincoln County Annual Growth Rate
1990	3,174	---		38,889	
2000	3,472	1990-2000	0.86%	44,479	1.26%
2008 (estimate)	3,610	2005-2008	0.77%	44,175	0.11%
2020 (projected)	4,030	2018-2020	0.87%	50,379	0.94%
2030 (projected)	4,297	2020-2018	0.62%	53,710	0.62%

Source: U.S. Census and Portland State University, Population Research Center

Employment Trends

Employment Distribution

The Toledo economy is heavily based in manufacturing, natural resource industries and transportation/warehousing, which collectively accounted for nearly 60% of the jobs in Toledo in 2008. 40% of jobs were in manufacturing, 12% in transportation/warehousing and 7% in natural resources. The high number of jobs in transportation and manufacturing is largely due to the presence of a Georgia Pacific pulp mill and the Port of Toledo.

The accommodation/food service and retail trade sectors were also large employers in Toledo - accounting for 9.2% and 7.8% of local jobs in 2008, respectively. Other major employers include public administration (5.4%), healthcare and social assistance (4%), and other services (4.9%).⁷

The prominent role of manufacturing and industrial-type employment in Toledo sets the community apart from the rest of Lincoln County and much of the Oregon coast. The Coast has proportionally less manufacturing employment than the state, has very few large manufacturers, and very few types of manufacturing. The Oregon Employment Department reported that, in 2007, manufacturing jobs made up approximately 12% of private sector jobs on the coast, compared to 14% throughout the state.⁸ In Lincoln County, only 7.2% of jobs in 2007 were in manufacturing⁹. Toledo, on the other hand, reported 43% of jobs in manufacturing alone in 2007, with many jobs located at the mill – one of the largest manufacturers and biggest employers on the coast. The mill was also one of only 15 large manufacturers on the coast, with an average of 99 or more employees. Large manufacturers on the coast are limited to four industries: food manufacturing, wood product manufacturing, paper manufacturing, and fabricated metal product manufacturing.

The largest employers at the County level include accommodation and food services (24%), arts and entertainment (6%), and retail trade 16%), which are major components of a tourism economy. Health care and social assistance, public administration, and education sectors were also major employers, making up 10%, 8% and 6% of jobs in the County in 2008, respectively.¹⁰ Similar to the rest of the coast, Lincoln County manufacturing, natural resource industries, and transportation/warehousing industries accounted for only 10% of total employment. A detailed comparison job distribution in Toledo and Lincoln County is shown in Figure 3.

Current Employment Trends

Over the past five years, the biggest growth areas in Toledo have been Leisure and Hospitality (with a 6% increase of local job share) and Trade/Transportation/Utilities, including retail (with a 3% increase in job share). This illustrates a slight increase in the tourism economy. At the same time, employment in natural resources sectors, professional services and public administration all fell between 3-4%.¹¹ At the County level, there were minimal changes in the overall distribution of jobs between 2003-2008, with most employment in leisure and hospitality, public administration, trade, transportation and utilities, or natural resource sectors.

Over the longer term (2001-2008) stronger trends can be seen in Lincoln County employment. Since 2001, there has been a trend toward increased employment in educational and health services (42%), transportation, warehousing and utilities (36%), construction (36%) and financial activities (15%). Although manufacturing fell overall, food manufacturing in particular saw an increase of 14% between 2001-2008. Declines were most notable in information (-24%), mining and logging (-13%) and local government (-10%). These trends are depicted in Table 2.

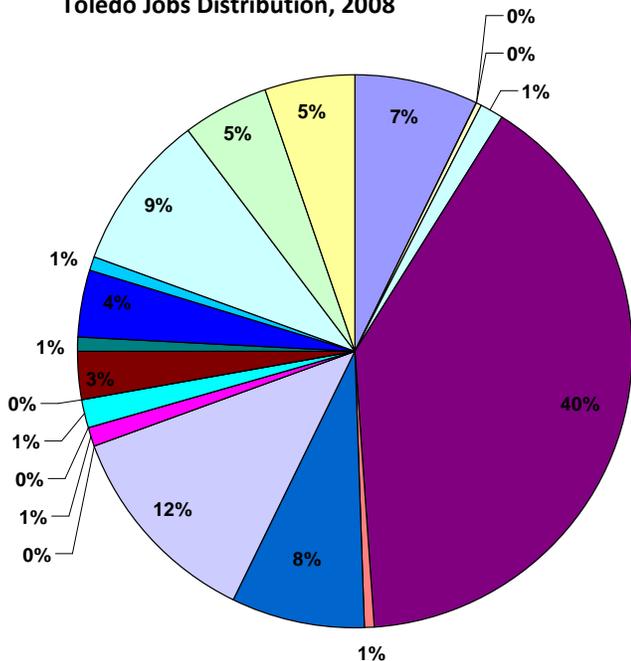


Georgia Pacific operations and crab pots on the Toledo waterfront.

In 2008, 40% of Toledo jobs were in manufacturing, 12% in transportation or warehousing, and 7% were in natural resources, including forestry and fishing

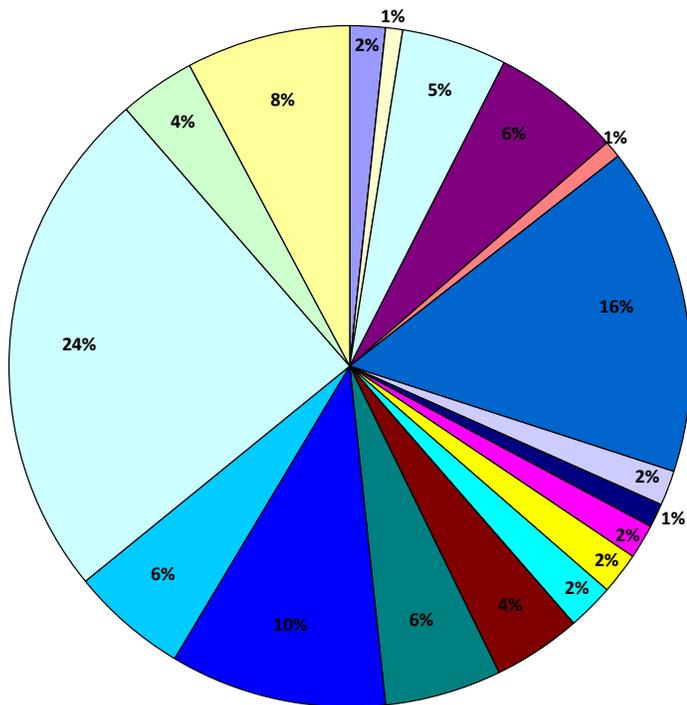
Figure 3: Toledo and Lincoln County Jobs Distribution

Toledo Jobs Distribution, 2008



- Agriculture, Forestry, Fishing and Hunting (7%)
- Mining, Quarrying, and Oil and Gas Extraction (0%)
- Utilities (0%)
- Construction (2%)
- Manufacturing (40%)
- Wholesale Trade (1%)
- Retail Trade (8%)
- Transportation and Warehousing (12%)
- Information (0%)
- Finance and Insurance (1%)
- Real Estate and Rental and Leasing (0%)
- Professional, Scientific, and Technical Services (2%)
- Management of Companies and Enterprises (0%)
- Administration & Support, Waste Management and Remediation (3%)
- Educational Services (1%)
- Health Care and Social Assistance (4%)
- Arts, Entertainment, and Recreation (1%)
- Accommodation and Food Services (9%)
- Other Services (excluding Public Administration) (5%)
- Public Administration (5%)

Lincoln County Jobs Distribution, 2008



- Agriculture, Forestry, Fishing and Hunting (2%)
- Mining, Quarrying, and Oil and Gas Extraction (0%)
- Utilities (1%)
- Construction (5%)
- Manufacturing (6%)
- Wholesale Trade (1%)
- Retail Trade (16%)
- Transportation and Warehousing (2%)
- Information (1%)
- Finance and Insurance (2%)
- Real Estate and Rental and Leasing (2%)
- Professional, Scientific, and Technical Services (2%)
- Management of Companies and Enterprises (0%)
- Administration & Support, Waste Management and Remediation (4%)
- Educational Services (6%)
- Health Care and Social Assistance (10%)
- Arts, Entertainment, and Recreation (6%)
- Accommodation and Food Services (24%)
- Other Services (excluding Public Administration) (4%)
- Public Administration (8%)

Source: U.S. Census Bureau, LED on the Map

Table 2: Lincoln County Employment Trends, 2001-2008*

	2001	2008	Percent Change
Total nonfarm employment	17,280	18,630	7%
Total private	12,880	14,450	11%
Mining and logging	180	160	-13%
Construction	630	980	36%
Manufacturing	1,120	1,110	-1%
Durable goods	240	250	4%
Nondurable goods	870	850	-2%
Food manufacturing	240	280	14%
Trade, transportation, and utilities	3,230	3,460	7%
Retail trade	2,870	2,970	3%
Food and beverage stores	670	710	6%
Transportation, warehousing, and utilities	210	330	36%
Information	260	210	-24%
Financial activities	730	860	15%
Professional and business services	920	980	6%
Educational and health services	1,030	1,790	42%
Leisure and hospitality	4,210	4,320	3%
Accommodation and food services	3,990	4,130	3%
Accommodation	1,940	1,880	-3%
Food services and drinking places	2,050	2,250	9%
Other services	580	590	2%
Government	4,400	4,180	-5%
Federal government	260	270	4%
State government	690	770	10%
Local government	3,450	3,140	-10%
Indian tribal	-	1,100	n/a
Local education	1,030	780	-32%
Local government excluding education and Indian	-	1,260	n/a

* Some data not comparable to prior years, including local government, education and health services
Source: Oregon Employment Department

Wages and Unemployment

Looking at long term employment levels in Region 4 (including Linn, Lincoln and Benton Counties), employment increased by 26,000 between 1980 and 2009, with an average growth rate of 0.9% a year. Meanwhile, the population growth rate in the region was approximately 0.75%, meaning that employment was growing faster than population. From 2008 to 2009, employment dropped by 5,000, with unemployment across Region 4 doubling over the course of eight months.¹²

Historic Census data indicates that Toledo's unemployment levels tend to be similar to that of Lincoln County, but slightly higher than the state as a whole. The most recent Census data for Toledo (2000) shows its unemployment level to be 5%, while Lincoln County's was 4.9% and Oregon's was 4.2%. While the recent economic downturn has significantly increased unemployment at all geographic levels, Lincoln County's unemployment level continues to be higher than the state average. In June 2010, Lincoln County's seasonally adjusted unemployment rate was 11% while Oregon's was 10.5%. Data was unavailable for Toledo.¹³

In addition to having higher unemployment than most of the state, Lincoln County also has the lowest average wage in Region 4. In 2008, the average pay for private sector jobs in Lincoln

County was \$29,310, compared with \$35,170 in Linn County and \$42,311 in Benton County.¹⁴ At the state level, the average wage was \$40,486. In 2008, the majority of jobs in Toledo (46%) paid over \$3,333 per month; 31% were between \$1,251 and \$3,332 per month, and 23% of jobs in Toledo paid \$1,250 or less a month. At the County level, 22% of jobs paid more than \$3,333 per month; 34% paid less than \$1,250 and 44% paid between \$1,251 and \$3,333 per month.¹⁵

Employment Projections

While it is impossible to fully predict future economic trends, especially during a recession, there are resources available that can point towards potential growth areas. Every two years, the Oregon Employment Department releases ten year employment projections by industry and occupation for each economic development region in the state. The projections are based on historic trends, relationships between industries and demographics, state and national forecasting models, population forecasts, and input from industry experts and outside economists. Because the projections are completed at the regional level, Region 4 projections are used to indicate future growth areas for Lincoln County and Toledo.

The most current projections extend from 2008, the ‘base year’ for this analysis, through 2018. These regional projections, supplemented with information on local trends from stakeholder interviews, can help to develop a more nuanced picture of where Toledo’s economy may grow in the next twenty years.

State and Regional Projections

Rural communities throughout the United States are seeing slow commercial and industrial growth, particularly when located away from major transportation facilities and larger metropolitan areas. This holds true in Oregon, where many rural economies were historically based on timber, commercial fishing and mining. To offset declines in employment opportunities, rural communities are marketing themselves as affordable and attractive locations for an increasing number of telecommuters, tourism related industries and emerging green industries.

Based on trends prior to the current economic downturn, Region 4 (including Linn, Lincoln and Benton Counties) is projected to see a 9% increase in jobs through 2018 – comparable to most regions in the state. While it can be expected that the economic downturn and cuts in education and government will dampen future growth, an analysis of historic trends indicates that the sectors with the most potential for growth through 2018 include:

- ◆ Educational and health services (23%) including health care and social assistance (25%), ambulatory health care services (28%) and nursing and residential care facilities (26%);
- ◆ Professional and business services (14%), including technical services (20%) and computer systems design (21%);
- ◆ Leisure and hospitality (11%) including arts, entertainment and recreation (14%) accommodation (12%), food services and drinking places (12%); and
- ◆ Trade, transportation and utilities (9%) including electronic markets agents/brokers (20%), retail trade (10%) and wholesale trade (9%)

Across Region 4, the majority of new job openings will be in health care, services, administrative, professional and business fields. Future job opportunities in natural resource and manufacturing sectors are expected to be largely replacement openings.¹⁶

Sectors with the least projected employment growth include:

- ◆ Manufacturing (-3%), including paper manufacturing (-20%), plywood and engineered wood manufacturing (-7%), primary metal manufacturing (-9%), and machinery manufacturing (-8%). The only projected increase is in food manufacturing (7%);
- ◆ Natural resources and mining (2%), including mining and logging (-10%); and
- ◆ Information (2%), including a decline of -6% in all publishing except for internet, which is projected to see a 10% increase.

Projections for Toledo

To forecast how the regional employment projections will impact Toledo, the 2008 market share of approximately 7.65% of County jobs can be applied to each employment sector. With employment expected to rise by 4,287 jobs throughout the County in 2030, approximately 328 of those jobs can be allocated to Toledo, as shown in Table 3. With a base of 1,425 local jobs in 2008, this calculation estimates 1,753 jobs in Toledo by 2030.

Table 3: Projected Job Growth in Lincoln County and Toledo

	Lincoln County Job Count (2008)	10 Year Projection (2018)	Projected Annual Growth	2030 Lincoln County Job Count	2030 Lincoln County Job Gain	2030 Toledo Projected Job Gain (7.65%)
Industrial						
Natural Resources & Mining	160	163	0.2%	167	7	1
Construction	980	1,000	0.2%	1,023	43	3
Manufacturing	1,110	1,077	-0.3%	1,037	-73	-6
Retail /Services						
Trade, Transportation & Utilities (includes retail)	3,460	3,806	1.0%	4,221	761	58
Information	210	214	0.2%	219	9	1
Financial Services	860	946	1.0%	1,049	189	14
Professional and Business Services	980	1,127	1.5%	1,303	323	25
Educational and Health Services	1,790	2,291	2.8%	2,893	1,103	84
Leisure and Hospitality	4,320	4,795	1.1%	5,365	1,045	80
Other Services	590	631	0.7%	681	91	7
Institutional /Government						
Federal Government	270	302	1.2%	341	71	5
State Government (incl. state education)	770	793	0.3%	821	51	4
Local Government (incl. Tribes & local education)	3,140	3,391	0.8%	3,693	553	42
Other/Uncovered (3-5% of jobs)	559	616	0.9%	673	114	9
Total Jobs	19,199	21,153	--	23,486	4,287	328

Source: Oregon Employment Department, analysis by OCWCOG

Local Considerations

Although Lincoln County is included in Region 4, its location on the Pacific Coast away from the I-5 corridor fosters an economy that is distinctly different from its two regional partners – Benton County and Linn County, both of which are located in the Willamette Valley and the I-5 corridor. Lincoln County’s economy is built upon its greatest asset – the ocean. Tourism industries are much higher in Lincoln County than the rest of the Region, and much of the manufacturing and

industrial employment in Lincoln County is based in marine-related industries or natural resources, particularly in Toledo.

While state and regional employment projections mark natural resources as slow-growth or declining sector, it is important to recognize the unique trends of fisheries and logging on the coast and in Lincoln County. While OED data shows mining and logging employment to have decreased (-13% between 2001-2008) significant private timber holdings in the County may boost otherwise lagging timber-related industries in upcoming years. Many of the private timber holdings are ready for harvest and may allow for more employment than projected for Region 4 in these sectors once the demand for wood products returns.

The Lincoln County fisheries industry is also better off than regional and statewide numbers indicate. Growth in the fishing industry can be easily overlooked when combined with other declining natural resource sectors such as forestry and mining. When looked at independently, employment in the sector of “Fishers and Related Fishing Workers” is projected to hold steady through 2018 with 0.0% growth, while a dip of nearly -6% is expected in “Forest, Conservation and Logging Workers”, according to the OED Region 4 Projections. OED data estimates that employment in commercial fishing appears to have increased in 2009, to 1,767 from 1,603 in 2008, while also noting the difficulty in ‘counting’ employees in this sector since the passage of legislation in 1999 allowing most fishermen to be exempt from unemployment insurance coverage - the primary source of employment data.¹⁷

The Oregon Statewide Port Strategic Plan supports these findings, stating that the commercial fishing industry has fared much better than those in California and Washington over recent decades. After a dip in 2000, the slow but steady growth in the Oregon commercial fishing industry combined with declines in neighboring states has created a prominent role for Oregon in the West Coast commercial fishing industry.¹⁸ Lincoln County and Toledo can expect to benefit greatly from this trend, as Lincoln County maintains a large share of Oregon’s commercial fleet and is a center for Oregon’s commercial fish processing industry.

Despite the prominence of fish processing and other pockets of manufacturing in Lincoln County, there is much less manufacturing and fewer large employers than in Linn and Benton Counties. Manufacturing, agriculture, health services, and education all have a larger job share in the Linn and Benton County economies than in Lincoln County.¹⁹ As reported by the Oregon Employment Department, the already-small manufacturing sector has generally been declining on the coast, as it shifts to a more tourism-oriented economy. Between 2000 and 2007, manufacturing dropped 5% (372 jobs) for all five coastal counties – and 9% for the four counties excluding Tillamook County which grew by nearly 13% (154 jobs) over the seven years.²⁰ This trend held true in Lincoln County between 2003 and 2008, where manufacturing jobs dropped by 2%. While data for manufacturing alone is not available for Toledo, the combined sectors of natural resources, manufacturing and construction dropped by 4%.²¹

Because Lincoln County has fewer large firms, small businesses play a more critical role in the economy. Throughout rural Oregon, the smallest firms (1-9 employees) account for 23% of



Boats docked at Yaquina Boat Equipment, Inc. on the Toledo waterfront.

While manufacturing is not expected to increase on the coast, Toledo’s history as an industrial center gives it a unique advantage.

payroll employment compared with only 14% in larger metropolitan areas. While the current economic downturn may cause more closures among these businesses, more people also open small businesses during a slow economy.²² On the coast, an increase has been seen in independent contractors, web-related businesses, home-based businesses and small high-tech firms in recent years, according to staff from the Small Business Development Center at the Oregon Coast Community College.²³

Summary

Though the next twenty years, Lincoln County and the City of Toledo can expect to see the majority of employment growth in non-industrial sectors, including educational and health services, professional and business services, and leisure and hospitality. This being said, there are several trends which Toledo can capitalize on to enhance growth in industrial sectors. These include:

- ◆ the long-standing emphasis on industrial employment in Toledo, which sets it apart from the rest of an otherwise non-industrial county;
- ◆ a growing emphasis on green industries as a part of rural economies;
- ◆ projected growth in food manufacturing, which is a growing area of Toledo's economy;
- ◆ an increase in internet-related employment, which can include data centers sited in light industrial locations;
- ◆ the increasing prominence of Lincoln County in the commercial fishing industry and marine research;
- ◆ private timber holding throughout Lincoln County, which may boost an otherwise shrinking natural resource sector; and
- ◆ the prominence of small businesses in rural economies.

Economic Opportunities and Constraints

While an analysis of regional trends can generally point to future growth areas, Toledo's geographic, physical, demographic and cultural characteristics will ultimately determine which businesses locate and grow in the community. Key economic development characteristics, or 'production factors' that businesses consider when choosing where to locate include location, geography, natural resource constraints, transportation infrastructure, utilities, availability of support services, labor market size and diversity, and overall business climate. This chapter reviews each of these characteristics for the City of Toledo and considers how they will influence broader employment trends to determine the greatest potential growth areas for Toledo.

Reference sources utilized for this analysis include stakeholder interviews, the Oregon Employment Department, Business Oregon, the U.S. Census Bureau, and the State of Oregon Economic and Community Development Department. As part of this analysis, OCWCOG additionally contracted with Maul, Foster and Alongi, Inc. to help identify specific growth opportunities for Toledo based on industrial trends throughout the Northwest Coast. The results of the consultants' analysis are primarily included in the assessment of 'Industrial Employment Opportunities and Site Requirements'.

Economic Development Characteristics

Location

Located in the foothills of the Coast Range, fifteen minutes from the Pacific Ocean, the City of Toledo has many characteristics associated with a high quality life. The small town character, low crime rate, low congestion levels, attractive downtown, and abundant natural areas make Toledo an attractive place to live.

Property is generally more affordable in Toledo than other areas on the central coast, as well. Young families and first time home-owners are attracted to the more affordable residential properties, while industrial uses are attracted to the relatively large supply of affordable, buildable industrially zoned parcels. Toledo's rural location will increase the cost of transportation and materials; however those potential cost increases may be offset by land availability and affordability for those businesses not reliant on access to an interstate highway or international airport.

Geography and Natural Resources

The area surrounding Toledo is rich with natural resources, which have historically played a large role in the local economy. This trend will likely continue into the future, due to the predominance of private timber holdings and activity at the Port of Toledo.

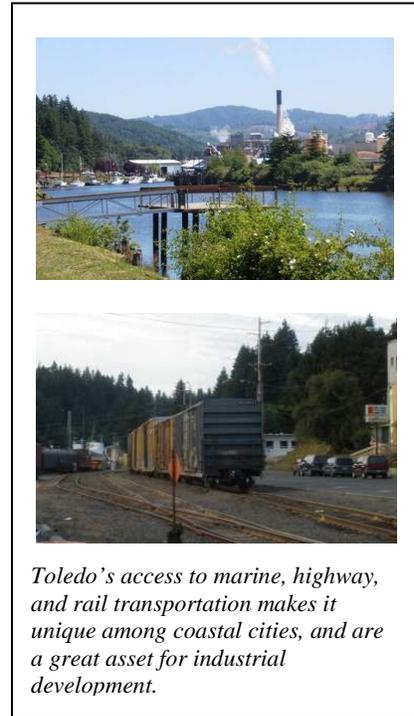
Due to its location on the Yaquina system and in the Coast Range, there is high potential for both steep slopes and wetland areas on any vacant parcel. A wetlands determination may create regulatory challenges to development, as the Port of Toledo reported in the 2010 Oregon port plan.²⁴

Transportation

Toledo benefits from rail, marine, and highway transportation facilities, and also is the site of a small, state-owned airport. The convergence of air, rail, highway and marine transportation in Toledo creates a unique opportunity intermodal transportation center in Toledo, and greatly enhances the viability of commercial and industrial development.

Toledo is on US Highway 20, a key corridor between the Central Coast and the Willamette Valley. The Oregon Department of Transportation is currently completing the US 20: Pioneer Mountain to Eddyville project, which will replace a section of the existing highway with a new section built to be three miles shorter & far more safe. This project will widen the highway, create more passing lanes, and straighten out unsafe turns – all of which will greatly improve interstate truck travel to and from the Toledo area. Business 20 links downtown Toledo and its industrial areas with the highway.

The Willamette & Pacific (WPRR) rail line extends from its terminus in Toledo to the Willamette Valley, where it connects with a north/south corridor. The north/south corridor includes Union Pacific’s Valley Mainline, Portland & Western Railroad’s (PNWR) OE Branch Main Line and the Westside Branch Main Line. These north/south rail lines link the Willamette Valley (and more remotely, Toledo) to population centers and markets in Portland to the north and Eugene to the south, and to wider domestic and international markets.²⁵ While rail transportation may take longer, it is much more affordable and has less of an environmental impact than highway transportation.² Currently, the WPRR serves two Georgia Pacific facilities on a daily basis, and runs adjacent to the Yaquina River, downtown, and numerous industrial sites.



Toledo’s access to marine, highway, and rail transportation makes it unique among coastal cities, and are a great asset for industrial development.

The Port of Toledo is capable of handling barge traffic and could provide a connection between the rail line at Toledo and the deep water port at Newport and to other coastal ports. However, shipping options are limited because the low clearance of the Yaquina Bay Bridge prohibits modern container ships from entering the Port of Newport. Additionally, low clearance of the Butler Bridge in Toledo may inhibit water access to at least one of Toledo’s large industrial sites upriver.

Utilities and Support Services

The availability and capacity of public facilities and other support services are important considerations when locating a business. Public facilities can include water, sewer, gas, electric, and increasingly, broadband internet and wireless cell phone service. The City of Toledo has ample water and sewer capacity for new industrial and commercial uses, and its many redevelopable commercial and industrial properties have existing connections. Natural gas, electricity, telephone, cell phone and high-speed internet services are all adequate to meet the needs of most businesses. Support services such as bookkeeping, marketing, photocopying, and web services are available in Toledo and nearby Newport.

Labor market

While the small size of the Toledo workforce may be seen as a limitation to some, especially large or mid-size firms, Toledo currently draws employees from as far away as Lebanon and other cities in the Willamette Valley. Businesses looking to locate in Toledo can anticipate that up to 50% of their workforce will commute in from 45-60 minutes away, based on patterns

² According to the Toledo Sweet Home Rail Corridor Feasibility Study, a rail car can transport three to four times more than an average truck, and one train crew can handle 50 and often times more than 100 rail cars.

reported by current prominent employers. 2008 data shows that 39.5% of the Toledo workforce actually works in Toledo, filling 630 jobs. This indicates that the remainder of Toledo jobs (456 jobs) are filled by employees commuting into the city for work.²⁶ The relatively younger demographic in Toledo (as compared with Lincoln County) can also draw employers to the community²⁷.

The Oregon Coast Community College Small Business Development Center (SBDC) provides a range of services to the central coast business community. The SBDC offers approximately 30 classes per quarter on topics as diverse as accounting, business management, internet sales and event planning. Additionally, the SBDC facilitates a two-year small business management course for established businesses, offers free small business counseling, operates a microenterprise program and assists with pre-venture and start-up assessments. Most recently, the SBDC worked with the Central Coast Economic Development Alliance to provide training for businesses seeking to become certified for federal contracts resulting from the relocation of the NOAA Pacific homeport to Lincoln County. Toledo High School workforce training programs such as welding are also an asset, and make high school graduates very competitive for local industrial jobs.

Business Climate

Toledo is known as an affordable option for industrial and related development in Lincoln County. While land availability, affordability and related system development charges (SDCs) are seen as limitation in other areas of the County, they are not in Toledo. Recent development proposals; however, have highlighted the need to update and clarify the city's zoning provisions and development code to better respond to current economic and development trends.

The City of Toledo is also included in an Enterprise Zone, managed by the Central Coast Economic Development Alliance. Eligible businesses locating or expanding in the enterprise zone (generally non-retail) receive total exemption from the property taxes normally assessed on new plants and equipment for at least three to five years.²⁸ Businesses in the area that have recently benefitted from the Enterprise Zone include Island Wild Seafood and Oregon Brewing (the non-retail component of Rouge Ales). Toledo and all of Lincoln County are also part of a HUB Zone, which is a federal designation for historically underutilized business zones as prescribed by the SBA. The primary purpose of the program is to encourage economic development and increase employment in these distressed urban and rural areas. This designation can increase chances of receiving federal contracts²⁹.

At a more regional level, the relocation of the NOAA Pacific fleet to Newport and the growth of marine-related research associated with the Hatfield Marine Science Center and the Oregon Coast Community College is creating a culture of research and innovation on the Central Coast. This energy is expected to foster a vertical cluster of marine-related industries, including those supporting NOAA operations and advancements in wave energy and marine research.

Summary

Toledo's strongest assets for employment growth include its multi-modal transportation system, the availability and affordability of land, and its proximity to centers for marine-related research and industries. Factors constraining employment growth include the small size of the labor market, distance from major metropolitan areas and interstate highways and the need for clear and objective development criteria.

Potential Growth Areas and Site Needs

Based on national, regional and local trends, and taking into consideration Toledo's economic development characteristics, the industrial sectors with the greatest potential include: boat building, repair and marine industries; renewable energy; food processing; and small manufacturing enterprises. There is growth potential in several non-industrial sectors, including internet-related businesses, health services, retail and tourism-related industries. While these non-industrial sectors will likely play an important role in Toledo's future economy, they are not included within the scope of this analysis.

Wood and Paper Products

Most of the contiguous industrial land in Toledo - more than 150 acres in total - is used by Georgia Pacific for the manufacture of containerboard. This facility is a major economic asset for the community, region and State. Most recently upgraded in 1997, the plant meets current environmental regulations enforced by the Department of Environmental Quality.³⁰ While this plant is expected to maintain a large share of local employment, globalization of the marketplace and the decline of wood and paper products industries create a challenge for this industry in Toledo. Efficiency of operations and relative cost of raw materials will be factors in the longevity of operations at the Toledo site.

With no immediate changes in operations projected for the Toledo site, the wood and paper products sector is expected to maintain a large share of employment in Toledo, and may influence the growth of related industries. The development of support businesses and customers for this industry can help to ensure its longevity, efficiency and overall cost of operations. For example, a business producing wood pellets or bricks for commercial heating can co-locate with a heavy industrial plant that produces a waste stream of woodchips or sawdust. Site requirements for support businesses would be similar to those for the primary wood and paper products industries.

Siting wood and paper products industries is highly dependent on existing capital investments and proximity of available timber, so the existence of the GP mill and the large share of private timber holdings will boost Toledo's potential in this sector. General site requirements include space for semi-trucks, access to rail and/or marine transportation, warehouse space with breadth and height, and lifting cranes. Access to highway and rail are important, and this type of industry is a heavy power user, but water and sewer needs are relatively low. This type of industry can be expected to locate on large sites (over 5 acres); however, smaller related industries may be able to locate on standard sites of 1-5 acres.

Boat Building, Repair and Marine Industries

With the relocation of the NOAA homeport to Newport and the recent acquisition of the Fred Wahl shipyard by the Port of Toledo, there is great potential for growth in the 'vertical cluster' of marine industries. Industries falling under this category include: marine electrical, marine electronics, foam and fiberglass manufacturers, rough and finished carpentry mechanics to rebuild engines and transmissions, hydraulics repair, and refrigeration maintenance. Temporary increases may also be seen in the construction sector as the new NOAA facilities are being developed.

The reopening of the Fred Wahl shipyard under the ownership of the Port of Toledo may spur the development of new marine industries or the relocation of existing marine industries to Toledo.

Under the previous owner, the shipyard serviced recreational, commercial charter, and commercial fishing vessels up to 400 tons (dry dock) and 85 tons in a straddle lift. The fishing vessels include those of the distant water fleet that rotate between the northern California and Oregon Coast, and the Bering Sea in Alaska.³¹

Although NOAA will contract for major repair and refitting at larger West Coast ports, there will be opportunities for service providers along the entire Yaquina system, including Toledo. According to the Central Coast Economic Development Alliance, NOAA budgets an estimated \$2 million per year for each of the four vessels to be docked in Newport. While the Central Coast area is only expected to capture 50% of those expenditures early on, it is anticipated that this number will grow over time.³² Although Toledo shipyards will be unable to service the larger vessels, the relocation of NOAA will create opportunities to service moderate-sized (80-100 foot) boats in Toledo. There may also be opportunities to service other research vessels visiting the Port of Newport and Hatfield Marine Science Center.

Currently the majority of marine industries locate upriver and in Toledo, away from unfavorable ocean waters and weather, and it is likely that this trend will continue. Some marine industries will however, choose to locate closer to the NOAA facilities in Newport and reverse this trend.

Many marine industries are flexible, and can fit on a site of one acre or less. Small shipyards require 1-3 acres, and larger shipyards require 6-10 acres at a minimum, with waterside docks, contained dry work areas, and waste containment essential for both small and large shipyards. Site requirements for shipyards are quite specific and are subject to rigorous environmental review. A key concern for the boatbuilding and outfitting sector is the retention of a trained workforce, both in Toledo and throughout the Central Coast. Water access is critical for shipyards and beneficial for most marine industries.

Renewable Energy and Green Industry

The Central Oregon Coast is expected to be a focal point for research and production of energy generated from ocean currents, waves, or tidal flows. Technologies include both submerged generators and surface units, some combined with wind generators. Research and investment in this sector is being spearheaded by Oregon State University, with several private companies already proposing expansive areas for generation farms. Toledo could provide a location for the manufacturing, assembly, staging, servicing and supplying these facilities.³³ Specific products may include floats, buoys and turbines.

Many communities are looking broadly to green industries as a way to reinvigorate local economies. While most of the larger alternative energy companies that have located in Oregon in recent years have clustered in the Portland area, affordable land and an available workforce could drive these firms further outwards. Proximity to the ocean and the right incentives package – inexpensive land and labor - could make rural communities an attractive option for the green industry in the coming years.

Requirements for this sector include adequate power and utility interconnections, access to trained personnel on electrical systems, expensive custom equipment, and other characteristics similar sites to manufacturing industries. When locating this type of business, current incentive programs in the state and local or regional workforce training programs can be critical. This type of industry can locate on a range of site sizes, with many locating on 1-5 acres.

Food Processing

Food processing is one of few growing manufacturing sectors in Oregon, with specialty seafood processing and distribution holding a strong niche on the Central Coast. The Central Coast is competitive in the global marketplace for fisheries, and its commercial fishing industry has fared better than those in California and Washington in recent decades.³⁴ Fish products are already produced in Toledo and exported nationally and internationally, and there may be additional opportunities tied to local fisheries or research performed by NOAA or Oregon State University. A NOAA contract in the 1980s produced the techniques for harvesting, processing, and marketing hake and other bottom fish for both domestic and export markets. In addition to preparing and processing fish for distribution, there is also potential for organic and packaged food, including specialty foods such as jams and dried snacks made from the products of coastal farms.

Site requirements for food processing include proximity to local agriculture producers, fishing grounds and/or waterways. Direct access to major modes of transportation is important for distribution. Food processing facilities tend to be high power users and require higher water and sewer capacity and quality. They can locate on sites ranging from less than an acre to over fifty acres, depending on the size of the facility. In Toledo, food processing plants will likely locate on sites of 1-5 acres. Buildings need to be highly sanitary and certified as food service grade, and have appropriate warehousing and storage. Adequate refrigeration, frozen storage and ice making facilities may also be necessary.

Small Manufacturing Enterprises

There are currently numerous small-scale industrial and manufacturing businesses located on Port of Toledo properties and at the Toledo Industrial Park (TIP). These have recently included a manufacturer of electrical ground-straps for military, space program and solar panel use; a company constructing large catamarans; a high-end gun manufacturer, and a distributor of super frozen and processed at sea seafood. The recent location of Nautamatic Marine Systems, which produces autopilots for small boats, indicates potential for more high-tech industries to locate in the area. Several of these Toledo-based manufacturers have recently moved out of their multi-tenant spaces in Toledo because they outgrew their space, found more favorable rental rates elsewhere, or were seeking lower taxes out-of-state. These moves indicate that industrial uses can grow in Toledo but may need a greater choice leasing options.

The Port of Toledo, the City of Toledo, the Toledo Chamber of Commerce and the Central Coast Economic Development Alliance all predict steady growth among small manufacturing enterprises, particularly considering the relative affordability and availability of industrial land in Toledo compared with other cities in Lincoln County.

Small manufacturing enterprises generally use smaller sites on one acre or less, and locate in buildings of 20,000 square feet or smaller. Other site requirements include appropriate size and configuration of buildings, adequate power and often, water. There may also be potential for internet-related businesses which require an industrially-zoned site, although flood plains, steep slopes, and earthquake hazards and ocean climate may limit their viability in the area.

Cottage Art Industries

Toledo has been successful in attracting artists and craft workers who produce and sell their products locally and to global markets over the Internet. In communities such as Sisters and

Joseph, artisans have been able to cluster their workplaces in multi-tenant buildings for greater efficiency, resource-sharing, and gallery space. For arts and craft products involving potential negative impacts on surrounding properties, such as metal working, there is potential for a similar facility at an industrial site in Toledo.³⁵

Cottage art industries have flexible site requirements, with low potential for negative impacts such as air emissions, noise, or heat for smaller establishments. This type of business can typically locate on a small site of less than 1 acre and has typical requirements for water, electricity, gas, and other utilities. In many cities small arts and craft manufacturers can successfully locate in commercial areas; however, it would also be appropriate to locate a larger manufacturer or cooperative in an industrial zone.

Summary

Over the next twenty years, Lincoln County and the City of Toledo can expect to see the majority of employment growth in non-industrial sectors, including educational and health services, professional and business services, and leisure and hospitality. However, based on national, regional and local trends, as well as Toledo's unique characteristics, growth can be anticipated in several specific industrial sectors. These include: boat building, repair and marine industries; renewable energy; food processing, including fish; and small manufacturing enterprises.

Industrial Land Needs

This section describes Toledo's projected industrial land needs through 2030, based on the projected growth areas described earlier and incorporating a more nuanced understanding of local economic and community dynamics. The projected needs included in this section do not take into account what land is already inside of the city limits and/or UGB, but simply reflect acreage that may be needed to support future industrial growth. A discussion of available and suitable industrial sites is included in the next section.

To determine how projected employment growth will influence demand for employment land in Toledo, average job density can be applied to employment sectors, including:

- ◆ **Industrial:** Manufacturing, Construction, Natural Resources and Mining
- ◆ **Commercial/Service:** Trade, Transportation and Utilities, Information, Financial Services, Professional and Business services, Leisure and Hospitality, Other Services
- ◆ **Institutional/Government:** Educational and Health services, Federal Government, State Government (including education), Local Government (including tribes and education)
- ◆ **Other/Uncovered:** An estimate of all other uncovered employment

Long Term Needs

Looking *solely* at past employment trends and projecting those trends through 2030, little to no industrial growth predicted for Region 4 and Toledo. The commercial and service sector is projected to grow slightly, requiring approximately 14 acres of land. Institutional and governmental uses are expected to require 5.5 acres of land, and other types of employment are projected to need about one acre of land through 2030.

However, a review of Toledo's Comprehensive Plan, other planning documents, community survey results, stakeholder interviews, and recent trends on the Central Coast all indicate that there are potential growth areas which are not accounted for by relying solely on a projection of past trends. This may be because the data is outdated, considers trends at a county or regional level, or because the data simply can not capture what is happening on the ground as we speak. Potential growth areas that are not accounted for include: boat building, repair and marine industries; renewable energy; food processing, including fish; and small manufacturing enterprises. Additionally, while the wood and paper products sector is declining overall, the strong presence in Toledo may spur related businesses.

In order to effectively recruit new businesses in one or all of these categories, and to retain those which may outgrow their current location, Toledo can adjust its projected long term industrial land needs to include sites which will meet the needs of those potential growth areas. General site requirements for potential growth areas are shown in Table 5. Based on the general site requirements for each of the potential growth areas, this would include, at a minimum:

- ◆ One large site of 5 or more acres
- ◆ One standard site of 1-5 acres with water access
- ◆ One or two standard sites of 1-5 acres with convenient rail or highway access

- ◆ Several small sites of less than one acre with the ability to host a high utility user

Table 4 illustrates industrial land needs using a projection of past trends and also illustrates how those numbers can be adjusted to more accurately reflect community aspirations and current trends.⁴ Adjusted numbers also reflect a slight increase in land need to accommodate required public utilities.

Table 4: Toledo Employment Land Needs through 2030

Sector	Projected Job Growth	Job Density (jobs/acre)	Base 2030 Land Needs (acres)	Adjusted 2030 Land Needs (acres)
Industrial	-2	12	0	16*
Commercial/Service	269	20	13.5	14
Institutional/Government	52	10	5.2	5.5
Other/Uncovered	9	10	1	1
Total	328	--	19.4	20.5

* Reflects minimum recommendations for adjusted land needs: one 5 acres site, one 5 acre site with water access, one standard 5 acre site with rail and highway access, and 1 additional acre across several small sites.

Source: Oregon Employment Department; data analyzed by OCWCOG

Table 5: Site Needs for Potential Growth Areas

Sector	Site Size	Utilities	Transportation	Other site needs
Wood and Paper Products	1 – 5 acres 5+ acres	High power use	Highway and rail access important	
Boat Building, Repair and Marine Industries	>1 acre 1-5 acres 5+ acres	Low /moderate power use	Water access usually necessary	Waste containment
Renewable Energy and Green Industry	1-5 acres	Moderate power use	Highway access beneficial	
Food Processing	1-5 acres 5+ acres	High power use Water/sewer critical	Highway and rail access critical	Proximity to agricultural producers
Small Manufacturing Enterprises	1-5 acres	Low/moderate power use	Highway and rail access beneficial	
Cottage Art Industries	>1 acre	Low /moderate power use	Highway and rail beneficial	

Source: OCWCOG and Maul, Foster and Alongi, Inc.

Short Term Needs

Given the competitive nature of industrial and commercial development, it is very important to have a short-term supply of industrial land ready for development. Identification of a short term supply, defined by OAR 660-009-0005 as “suitable land that is ready for construction within one year of an application for a building permit or request for service extension”, will help the city to recruit new industries and retain growing industries. A range of site size, location, ownership makes the supply more competitive.

⁴ After the projected job growth in each category is divided by job density to determine acreage needed, an additional calculation can be made to determine additional acreage that might be needed to accommodate public facilities on vacant, previously undeveloped land. According to recent trends, it is estimated that 25% of industrial, institutional and uncovered or other development occurs on previously undeveloped and vacant parcels, and that approximately 20% of commercial and services do. These percentages were applied to needed acreage to determine what additional acreage would be needed to accommodate additional public facilities such as roads and utility easements. Generally, a 25% increase in acreage is applied to account for utility needs.

Using the traditional approach for projecting land needs, it is recommended that 25% of industrial land be available for development in the short term. In Toledo, this equates to 3.5 acres of commercial land, 1.4 acres of land appropriate for institutional and governmental uses, and one quarter of an acre for other employment uses. There is no projected short term need for industrial land using the traditional approach.

Summary

A straight-line projection of past trends indicates that there will be little to no need for industrial land through 2030; however, a survey of current trends in Toledo and the Central Oregon Coast indicates that there actually may be a demand for specific types of sites. This analysis concludes that Toledo can reasonably plan to accommodate industrial uses such as boat building, repair and marine industries; renewable energy; food processing, including fish; and small manufacturing enterprises. To accommodate the potential future growth of these industries, Toledo can adjust the projected industrial land needs to include: one large site of 5 or more acres; one standard site of 1-5 acres with water access; one or two standard sites of 1-5 acres with convenient rail or highway access; and, several small sites of less than one acre with the ability to host a high utility user. Toledo's ability to accommodate these needs with the land currently available in the city limits and UGB will be discussed in the next section.

Industrial Lands Inventory and Site Suitability Analysis

An inventory of industrial lands within the City of Toledo and the Toledo urban growth boundary was completed as part of the Economic Opportunities Analysis, and shows that the city has an ample supply of buildable land to satisfy the industrial land needs described in the previous section.

The inventory, outlined in this section, includes all parcels within city limits and within the urban growth boundary that are zoned for industrial, light industrial and water dependent use. Parcels that were considered fully developed were removed from the inventory of buildable land, while parcels that were undeveloped or underutilized were retained. Further consideration was given to development constraints and public utilities that would be required on undeveloped parcels. Buildable industrial lands remaining after this first level of analysis were then reviewed for general availability and suitability for each of the projected growth areas. This inventory updates the previous inventory, completed in 1999, and indicates which parcels have potential for new development, redevelopment, or infill.

Industrial Lands Inventory

Inventory Methodology

Each parcel in zoning designations I, LI, WD, UGB I, and UGB WD was evaluated using a combination of GIS, aerial photos, and site visits. This flow chart provides a summary of the inventory process used in this study, which is described in greater detail in subsequent paragraphs.

Potential buildable land [Vacant + Partially Vacant + Underutilized] – constraints = Adjusted buildable land

Adjusted buildable land – facilities allowance = Total buildable land

The first step in conducting the inventory was to organize all lands zoned City I, City LI, City WD, UGB I, and UGB WD into four mutually exclusive categories: developed, vacant, partially vacant, and underutilized. The sum of these four categories is the total area determined to be potentially buildable. Assumptions used in this determination included the following:

Developed Land: Developed land is fully in use. Developed parcels have no potential for further development at this time and were removed from the inventory.

Example: 11-10-17-00-01400-00 (Georgia Pacific)

Vacant Land: Vacant land is described as a parcel that has no improvements.

Example: 11-10-18-10-03000-00 (LI property in TIP)

The parcels were evaluated using Lincoln County Assessor data, as well as aerial photos and site visits. In some cases, parcels designated as “vacant” by the County Assessor were, in reality, in use (e.g. right of way, PUD substation, etc.). Parcels that showed improvement or were incorrectly designated were not included in the inventory.

Partially Vacant Land: This is vacant land on a parcel that is partially developed. It is land that staff identified as having potential for development and/or subdivision.

Example: 11-10-20-00-01100-00 (3.93 acres owned by Confederated Tribes of the Siletz Indians)

There is no minimum lot size for Industrial, Light Industrial, or Water Dependent zones in Toledo. For this reason, staff used aerial photos and site visits to determine when partially vacant land was sufficiently large for future development. This was done on a case-by-case basis, and no arbitrary and universal minimum size was assumed. Some smaller partially vacant parcels were included if there was potential for assembly into a larger site. This was included in the notes for such parcels.

Underutilized Land: Underutilized land is classified as property that has a current use or minor improvements, but that appears to have strong potential for redevelopment. Non-conforming uses such as public parks and private residences were also included as underutilized land. This information is included in the notes for those parcels, and should be considered when reading the study's findings.

Example 1: 11-10-07-10-02600-00 (improved value is 238% of land value, but currently used as parking)

Example 2: 11-10-17-00-01000-00 (public park with minor improvements, zoned LI)

Though it serves the same objective, "underutilized" differs from the more commonly used designation of "redevelopable," which is often defined as a property that has improvements valuing less than 30% the assessed value of the land. It was found that using strict quantitative measures was problematic in Toledo for several reasons:

1. After trying several ratios of improved versus land value (100%, 50%, 30%), it became clear that this was insufficient to describe the reality on the ground. The resulting error would have been magnified in a sample size as small as Toledo.
2. Values are assessed by tax lot, not by parcel.
3. On several occasions, improved values were incorrectly assigned to vacant properties.
4. Public utilities improvements and right-of-way were not assessed a value.

The ratio of improved value versus land value was used as a guide, but aerial photos and site visits were also used to inform the parcel-by-parcel evaluation. For the purposes of this study, the designations "partially vacant," "vacant," and underutilized are mutually exclusive. For this reason, they are treated equally and included at the beginning of the calculation.

Vacant + partially vacant + underutilized = Potential buildable land

Constraints

The following constraints were removed from the inventory of potentially buildable lands to produce adjusted buildable lands:

1. Slope over 25%
2. Delineated wetlands
3. Riparian setback: 10% was removed for riparian setback along waterways. This is the same number assumed in the 1999 Buildable Lands Inventory. Per zoning code, this was not removed from parcels abutting Depot Slough.

4. Land that is unbuildable due to its size, shape, or location (e.g. vacant parcels landlocked within Georgia Pacific’s complex, etc.)

The following constraints were noted, but not removed:

1. Water and sewer
2. Floodplain
3. Potential wetlands
4. Slope not over 25%
5. Access issues

Potential buildable land – constraints = Adjusted buildable land

Facilities allowances

This study assumed a 30% allowance for public facilities such as streets. This assumption is consistent with the 1999 Toledo Buildable Lands Inventory. This was not assessed on parcels that will not require road construction, such as parcels classified as underutilized or those located within the TIP zone. This 30% was subtracted from the amount of adjusted buildable land to produce the final calculation for total buildable land.

Adjusted buildable land – facilities allowance = Total buildable land

Inventory Findings

The industrial lands inventory indicates that 44.4 acres of the total 277.5 acres classified as City Industrial are buildable, as shown in Table 6. This yields a percentage of 16% buildable, the lowest of the five zoning designations covered in this study. 202.88 acres are developed, and 20.86 are constrained. Slope over 25% was the most common constraint on land in this category. Only 2.74 acres are underutilized. 12 parcels had buildable land in excess of 1.0 acre, 6 exceeded 2.5 acres of buildable land, and 2 had 7.5 acres or more buildable land.

About a third (34%) of City land zoned Water Dependent is buildable. Of the 22.55 total acres, 8.14 acres are developed, and 5.63 acres are constrained with access and wetlands were the most common constraints. No Water Dependent sites were determined to be underutilized.

Approximately 26% of Light Industrial land can be considered buildable, or 21.16 acres. The average parcel size is relatively small. 15 parcels had 0.50 acres or more of buildable land, and 5 parcels had more than 1 acre of buildable land. All 5 of these were classified as “underutilized.” Facilities allowances were minimal on LI properties, and common constraints were small size, floodplain, wetlands, and access issues. A large number of LI properties with development potential are located in the TIP.

Table 6: Toledo Industrial Lands Inventory

Land use designation	Total Acreage	Developed (acres)	Potential Buildable (acres)	Constrained (acres)	Adjusted Buildable (acres)	Facilities allowance (acres)	Total buildable (acres)
City I	277.51	202.88	74.63	20.84	53.78	9.42	44.37
City LI	80.48	44.32	36.15	11.79	24.35	3.19	21.16
City WD	22.55	8.14	14.42	5.74	8.68	1.09	7.59
UGB I	137.17	10.69	126.49	13.14	113.35	27.35	86.00
UGB WD	21.09	5.35	15.74	4.10	11.64	0.50	11.13
Total	538.81	271.38	267.42	55.62	211.80	41.55	170.25

Source: City of Toledo

In terms of total acreage, UGB Industrial has the greatest potential for development. Approximately 86 of the total 137 acres (63%) of land zoned UGB I is classified as buildable by this study. Barring one large parcel that is classified as underutilized and two others that are partially vacant, the majority of land is entirely vacant. The average size of the buildable parcels is large (10.75 acres), making UGB I zoned properties good candidates for future large developments or subdivision. Substantial deductions were made for facilities allowances, since development on much of this land would require roads and other improvements. The most significant constraints were wetlands and slope over 25%.

The buildable land calculation for UGB WD can be misleading. Four of the five parcels classified as underutilized are currently developed as rural residential. Therefore, development prospects in the short to mid-term are limited to just two parcels, which together account for only 1.68 acres of buildable land. Buildable sites are illustrated in Map 2.

Site Suitability and Availability

A comparison of long term industrial land needs with total buildable acreage indicates that there is adequate acreage to serve Toledo's industrial land needs through 2030. However, the assumed availability and general suitability of individual sites must also be considered as part of a complete lands inventory.

Availability

An effective way to estimate overall availability of sites is to review ownership patterns. If buildable sites in any employment land category lack diversity of ownership within the planning area, or if a single owner or entity controls more than 51% of buildable sites within any category, those sites can not be all assumed to be available⁵.

Currently, there are three predominant owners of buildable industrial land within the city limits and UGB: Georgia Pacific, the Confederated Tribes of Siletz Indians and the Port of Toledo. Currently, Georgia Pacific owns approximately 74.4 acres of buildable industrial land (43.7%), the Confederated Tribes of Siletz Indians (CTSI) owns 35.1 acres (20.6%), and the Port of Toledo owns approximately 12.2 acres (7.2%). While none of these entities holds more than 44% of all buildable industrial lands, there are significant land holdings within specific zones.

- ◆ Georgia Pacific currently owns 62% of all buildable industrial land in the UGB, but this drops to 47.9% once industrial and light industrial land within city limits is included.
- ◆ With the recent purchase of the Fred Wahl Marine site, the Port of Toledo now owns 97% of buildable Water Dependent land within the city limits, although this drops to 28% once UGB water dependent land is included.
- ◆ CTSI currently owns 31% of all buildable UGB industrial land, but this drops to 23.2% once buildable industrial and light industrial land within city limits is included.

⁵ Several methods of determining lack of availability for a parcel of land are outlined in OAR 660-009-0025, including but not limited to: (a) Bona fide offers for purchase or purchase options in excess of real market value have been rejected in the last 24 months; (b) A site is listed for sale at more than 150 percent of real market values; (c) An owner has not made timely response to inquiries from local or state economic development officials; or (d) Sites in an industrial or other employment land category lack diversity of ownership within a planning area when a single owner or entity controls more than 51 percent of those sites.

Although none of these land owners passed the threshold of 51% within any specific land use category or passed the threshold for total ownership among all buildable industrial land, ownership patterns should be monitored in upcoming years to ensure that ownership patterns do not begin to limit the supply of available industrial land.

Suitability

With an adequate diversity of ownership and diversity in the number and type of industrial sites in the community, Toledo has a competitive portfolio of sites ready to be developed in the short and long term. Suitable sites that may be developed or redeveloped to accommodate the potential growth through 2030 are shown in Table 7 and Map 3. While most of these sites are included in the industrial lands inventory, sites that are particularly well suited for industrial development but are currently being utilized may also be noted as having long term potential for redevelopment.

Table 7: Summary of Suitable Sites

Sector	Site Size	Site Needs	Potential Sites for Long Term Development
Wood and Paper Products	1 – 5 acres 5+ acres	<ul style="list-style-type: none"> ◆ High power use ◆ Highway and rail access important 	11-10-20-00-011-00 11-10-20-20-0300-00
Boat Building, Repair and Marine Industries	<1 acre 1-5 acres 5+ acres	<ul style="list-style-type: none"> ◆ Low /moderate power use ◆ Water access usually necessary ◆ Waste containment 	11-10-18-10-02200-00 11-10-10-10-02300-00 11-10-17-23-10900-00
Renewable Energy and Green Industry	1-5 acres	<ul style="list-style-type: none"> ◆ Moderate power use ◆ Highway access beneficial 	11-10-18-40-00100-00
Food Processing	1-5 acres 5+ acres	<ul style="list-style-type: none"> ◆ High power use ◆ Water/sewer critical ◆ Highway and rail access critical ◆ Proximity to agricultural producers and raw food sources 	11-10-18-10-03700-00 11-10-18-10-02200-00 11-10-10-10-02300-00 11-10-17-23-10900-00 11-10-07-43-04604-00 11-10-18A-10-00800-00 11-10-18A-00300-00 11-10-18A-02800-00 11-10-18A-02900-00 11-10-18A-03100-00 11-10-18A-03200-00
Small Manufacturing	<1 acre 1-5 acres	<ul style="list-style-type: none"> ◆ Low/moderate power use ◆ Highway and rail access beneficial 	Similar to Food Processing
Cottage Art Industries	<1 acre	<ul style="list-style-type: none"> ◆ Low /moderate power use ◆ Highway and rail beneficial ◆ Close to downtown for tourism 	11-10-18-10-00306-00 11-10-18A-03100-00 11-10-17-23-06602 11-10-17-23-10600

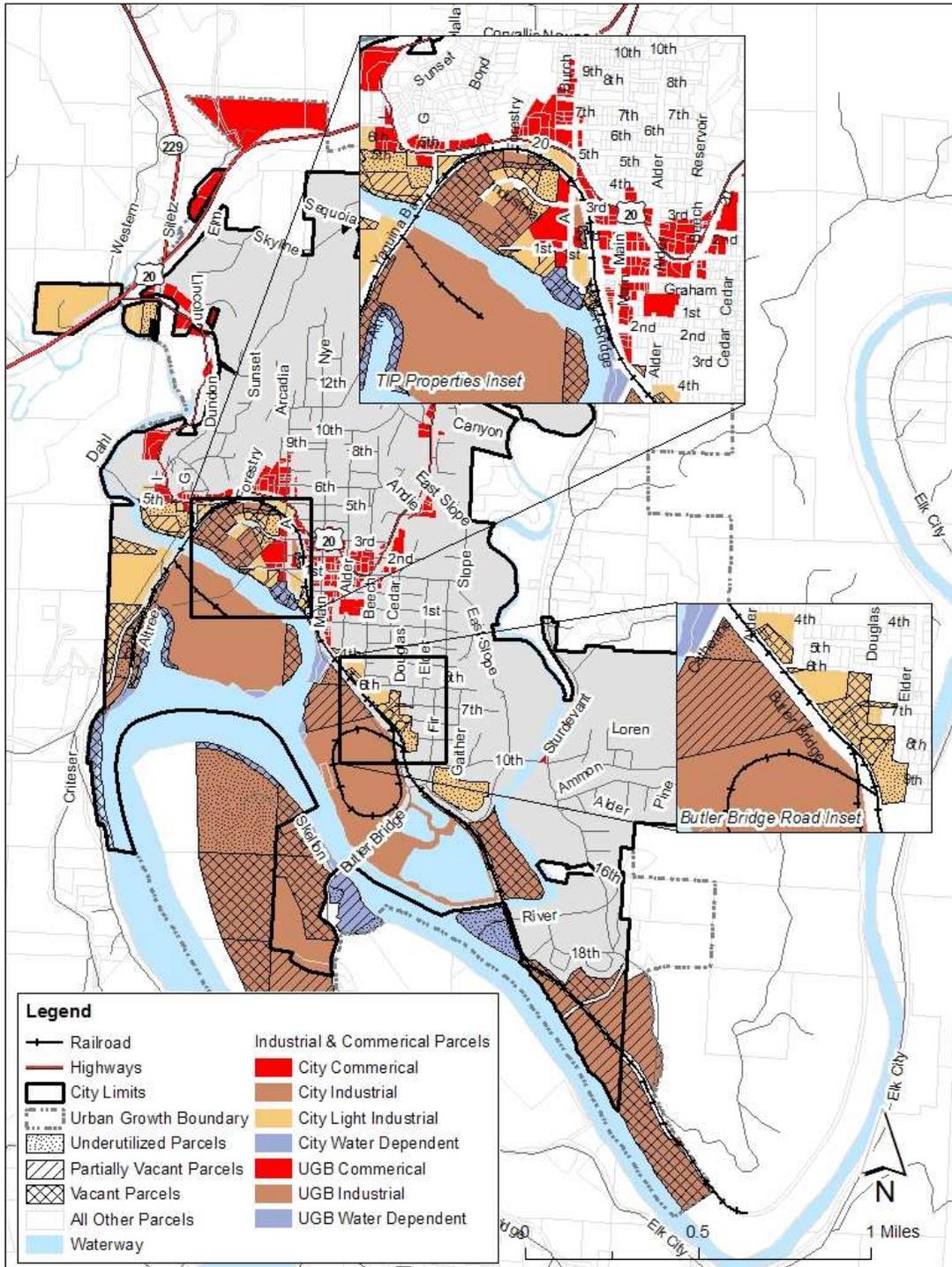
Source: Maul, Foster and Alongi, Inc. and OCWCOG

Summary

There are approximately 44.4 acres of buildable Industrial and 21.2 acres of buildable Light Industrial land within the Toledo city limits, and an additional 86 acres of Industrial land within the UGB. For water dependent uses, there are approximately 8 acres of buildable Water Dependent land within the city limits and an additional 11.1 acres within the UGB. While there is considerable concentration of ownership, it will not necessarily affect overall availability of industrial land. The wider diversity of sites and property owners will likely be adequate to

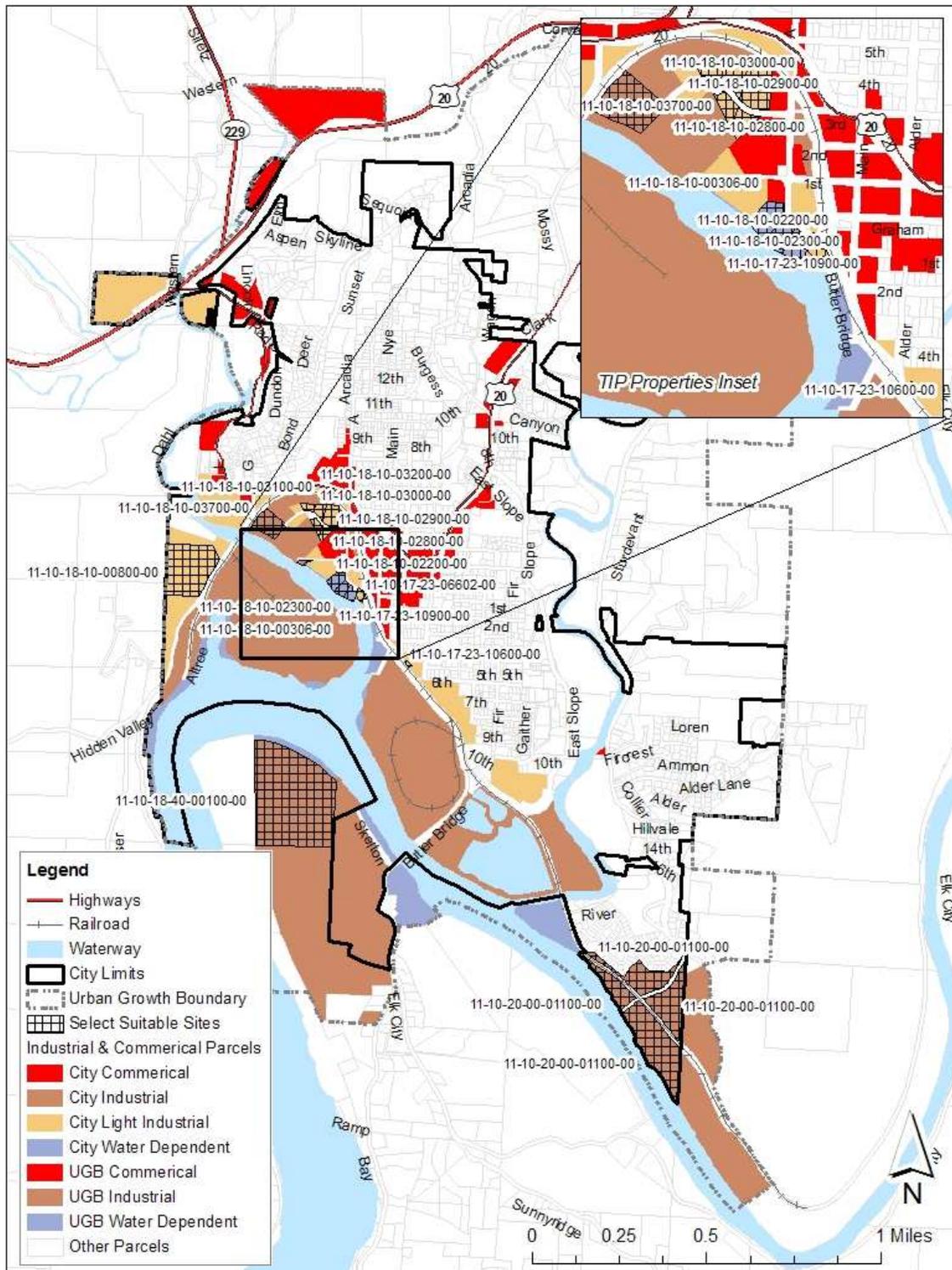
accommodate the potential growth in boat building, repair and marine industries; renewable energy; food processing, including fish; and small manufacturing enterprises.

Map 2: Industrial Lands Inventory



Map is for informational purposes only and may not be suitable for legal, engineering, or surveying purposes. Users should review or consult the primary data and information sources to ascertain the usability of the information. Created on December 27th 2010 by OCWCOG with data provided by the City of Toledo. Oregon Lambert Projection NAD83.

Map 3: Illustration of Select Suitable Sites



Map is for informational purposes only and may not be suitable for legal, engineering, or surveying purposes. Users should review or consult the primary data and information sources to ascertain the usability of the information. Created on October 16, 2010 by OCWCOG with data provided by the City of Toledo. Oregon Lambert Projection NAD83.

Conclusion and Recommendations

This economic opportunities analysis and industrial lands inventory finds that there is low overall industrial growth projected for Toledo; however there is notable potential in traditional industries such as marine and small manufacturing and growing potential in sectors such as green energy. The findings in this report further indicate that the industrial land supply is more than adequate to meet projected needs. The inventory shows that there is adequate acreage, a diversity of owners and diversity of site size and characteristics in each industrial land use classification. Additionally, there are several large parcels with excellent development opportunity.

With a good inventory of buildable industrial land, Toledo can (1) focus on utilizing the inventory in a way that reflects the City's economic development objectives; and (2) focus on ensuring that the municipal code facilitates the type of industrial development desired by the community. Economic development objectives include: development of clear and consistent code and development standards, maintaining strength in traditional industrial sectors, and marketing its portfolio of buildable sites. Recent development proposals and the relocation of the NOAA fleet to Newport further highlight the need for the City to revisit its development code and ensure that it is consistent with community aspirations and future development opportunities. This need was reiterated during the public involvement process, during which strong support was shown for more clear and objective code language.

A committee of community members and stakeholders met five times over the course of ten months, and were instrumental in the development of this report and the recommendations included in this section. The committee also reviewed the City's economic development goals and objectives as stated in the Comprehensive Plan and found that the goals held true to the current vision for future industrial growth for the community. The committee did not recommend any changes to the economic development goals and objectives.

Industrial Code Recommendations

1. List more specific processing and manufacturing uses in Industrial and Light Industrial zones.

By specifically calling out certain industrial uses as permitted or conditional, the City can increase clarity and objectivity in the development review and approval process. For example, the City can:

- ◆ Include specific processing and manufacturing operations which are permitted outright in the Industrial zone, particularly those related to potential growth areas.
- ◆ Call out specific 'heavy impact' processing and manufacturing uses as conditional or prohibited. 'Heavy impact' uses may include: Cement, lime, gypsum, or plaster of paris manufacture; explosives storage or manufacture; fertilizer manufacture; gas manufacture; glue manufacture; petroleum or petroleum products refining; rendering plant; slaughterhouse, stock yard; mining and quarrying; smelting or refining of metallic ore; and other uses similar to the above.
- ◆ Define 'Light Manufacturing' or 'Light Manufacturing and Assembly' and include those uses as permitted in Light Industrial areas, possibly with special standards. This may be particularly important if the TIP properties are rezoned as Light Industrial. 'Light Manufacturing and Assembly' may include uses such as: electrical and electronic machinery; sign manufacture; textile apparel and finished products made from fabric, wool or similar materials; and photographic, musical, medical, measuring, controlling or

optical goods. Special standards may include full enclosure, maximum size or maximum employment.

2. Incorporate basic development and use standards into the Zoning Ordinance.

Toledo is a small community with a great variety of uses in close proximity to each other - including a thriving arts community and long-time industrial uses. This proximity, along with the unique 'bowl-shaped' topography of the area can compound impacts from industrial uses. Incorporation of additional development and use standards into Chapters 17.20, 17.24 and 17.32 of the Zoning Ordinance will increase compatibility among future uses, and still allow for flexibility in future uses. Standards can include full enclosure of light manufacturing uses, limited floor area for accessory uses, increased regulation of outdoor storage, among others. Sample language for potential development and use standards is included as Appendix D.

The City can also establish voluntary design guidelines similar to those adopted by the Port of Toledo, which would encourage consistency of design and emphasize architectural styles and details that are more historically indigenous to the region.

3. Require demonstration of compliance with applicable State and Federal regulations.

To help promote due diligence on the part of the business owner/operator, the City can incorporate a requirement to prove compliance with State and Federal regulations as a part of the business permitting process.

4. Rezone properties in the Toledo Industrial Park (TIP) for Light Industrial use.

Recent development proposals have brought to light the changing vision for industrial growth in the City of Toledo. While large general industrial uses will continue to play a significant role in Toledo's economy, the vision for the types of uses belonging in Toledo and particularly within close proximity to the downtown, are shifting. Results from the community survey indicate that there is strong support for industrial development on the TIP properties; however, the results also indicate that many residents would prefer to see small-scale manufacturing, marine-related industries and less intensive natural resource related uses in Toledo. The results also indicate a desire more diverse job opportunities and employers, including professional, technical, outdoor recreation and retail or service sector jobs.

Rezoning TIP properties that are currently Industrial to Light Industrial would support the community vision expressed throughout this planning process and would also reflect goals expressed in the Toledo Comprehensive Plan and other recent planning documents, including the *Toledo Retail Market Analysis and Business Development Plan*, the *Toledo Waterfront Connectivity Plan*, and the *Port of Toledo Waterfront Development Strategic Plan*. By retaining the industrial designation for all TIP properties, the City would retain its full inventory of industrial land. Further, thoughtful expansion of the list of uses permitted in the Light Industrial zone will help to ensure that the TIP properties remain a viable and attractive site for a diversity or prospective users. This expansion of uses can be done in conjunction with the application of special standards for specific uses and broader development a use standards for all industrial districts.

5. Refine the list of permitted uses to encourage desirable industries.

This Economic Opportunities Analysis describes several industries with growth potential in the City of Toledo. The City can encourage the development of these specific industries in several ways.

For example:

- ◆ To the degree practicable, permit uses in Light Industrial and Industrial zones that would promote the development of marine industries, renewable energy, food processing (including fish), and small manufacturing enterprises. This can include research and development laboratories, business incubators, and small-scale food processing operations.
- ◆ Incorporate art galleries or showrooms in conjunction with permitted custom manufacturing operations as a conditional use in the Light Industrial zone

6. Include more precise conditional use criteria.

Outlining more precise expectations of conditional uses in Section 17.64 can incorporate an additional layer of objectivity and clarity into the Zoning Ordinance.

Additional Recommendations

In addition, the City can work with local economic development entities such as the Toledo Chamber of Commerce and the Central Coast Economic Development Alliance, and also work with local governments such as the Port of Toledo and the Confederated Tribes of Siletz Indians to build and maintain Toledo's role as site for industry on the Central Coast. Recommended methods for building Toledo's industrial economy include:

1. Update Toledo's noise regulations.

Concerns about potential noise impacts from industrial uses were expressed during this planning process. It is recommended that the City of Toledo address these concerns in Title 9 of the City Code: Public Peace and Welfare, which currently regulates noise within the City. This section of the Code can be reviewed and updated to include measurable noise limits during daytime and evening hours for each zoning district.

2. Market available industrial land.

The depth and diversity of the industrial lands inventory, the multi-modal transportation system, and Toledo's relative affordability all make the community a great choice for industrial developers looking to locate on the coast. To better attract businesses and encourage local businesses to stay and grow in Toledo, the community can implement a business marketing and retention program emphasizing the benefits of being in Toledo. The industrial lands inventory and economic analysis completed as part of this report can provide a strong foundation for this effort.

3. Encourage existing clusters.

Toledo is fortunate to be home to several stable or growing industrial uses: marine related industries, fishing and fish processing, and food processing in general. Additionally, the arts sector is growing and may require light industrial sites outside of downtown for the manufacture of products. Encouragement of growth in these sectors can boost economic growth throughout the community.

To encourage these clusters, the City can continue to promote business training opportunities presented by the Central Coast Economic Development Alliance and the Small Business Development Center of the Oregon Coast Community College, including those preparing businesses to provide services to NOAA and other federal agencies. Additional steps that can be taken include integration of Comprehensive Planning efforts with those for the main street, port and industrial districts, as well as encouragement of workforce training programs, potentially organized by the SBDC or the Toledo High School.

4. Promote diversity in leasing options.

In recent years, several industrial uses have relocated out of the community for bigger and/or more affordable buildings in other communities. To prevent this from happening in the future, the City, Chamber of Commerce and other economic development entities can encourage the Port of Toledo and other individual land owners to maintain an adequate supply of buildings to host these growing sectors. The City can distribute information from the Economic Opportunities Analysis to better inform property owners about the needs of potential industrial users.

5. Complete a transportation system plan.

Development of a transportation system plan would help the City to plan for future growth in the City, including industrial growth. Currently, Toledo enforces a truck route circumventing the downtown area and following Business Highway 20 and Sturdevant Road, as well as sections of 10th Street (Sturdevant Road to East Slope Road), East Slope Road (10th Street to Butler Bridge Road), 1st Street (Butler Bridge Road to “A” Street), and “A” Street (NW 1st Street to Business Highway 20). Completion of a transportation system plan would allow the City to consider the true capacity of these roadways, as well as potential future improvements to better accommodate truck traffic. The planning process would also help the City to identify other transportation issues and potential improvements related to industrial uses. Funding for this effort may be available from the State’s Transportation and Growth Management Program.

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Appendix A

Toledo Economic Opportunities Analysis Stakeholder Interviews

Toledo Arts Guild
Central Coast Economic Development Alliance
Lincoln County Assessor
Oregon Employment Department
Port of Toledo
Oregon Coast Community College, Small Business Development Center (SBDC)
Siletz Tribal Business Corporation (STBC)
Toledo Chamber of Commerce
City of Toledo Community Events and Business Relations Specialist

**Toledo EOA Stakeholder Interview
Toledo Arts Guild – Becky Miller, August 2010**

Arts Community

1. What is your vision for the arts community in 20 years?

The arts community is working to make Toledo a draw within the arts world, like Joseph. More studio-gallery spaces are opening up, especially on Main Street.

2. What aspects of Toledo make it ‘work’ as an arts community?

Toledo is an affordable place for artists to live. It is also beautiful, and close to inspirational subject matter. Toledo is charming, and artists see the potential to turn it into an artists’ community. There is a widespread appreciation for the arts.

3. What collaborative efforts are already happening between the arts sector and the manufacturing/industrial sector? What future collaborations are possible?

Yaquina River Museum of Art is a good example. The museum ties nature, history and art together, including the role of industry within the watershed. This will help to bring the industrial and arts sectors closer together again.

The arts community wants to build a stronger relationship with local industries, and would like to co-host or have GP sponsor arts events to illustrate their collaboration. Also can partner in planning processes.

The planned green space, pedestrian areas and art near the Port will help to bring the different aspects of the community together in one place. Becky is on the Mainstreet Design Committee, which is working on a theme for new signage and sculptures.

4. Are there any barriers or challenges to growth of the arts community currently?

- ♦ Working to become a more cohesive group
- ♦ Regulations are not really an issue – the Toledo code is pretty open, although there was an issue when a foundry wanted to locate in Toledo.

5. What steps can be taken strengthen both the manufacturing and the arts sectors? What steps can be taken to bring more businesses and/or industries to Toledo?

The current economic situation makes it difficult – we simply need to bring people to the city to spend money. We need to publicize more and continue improvements to Main Street.

6. What are some site requirements artists’ work spaces? This can include utilities, location, neighboring businesses, zoning, etc. What types of facilities are the best fit for Toledo?

Some types of art produce chemicals or dust, and require ventilation. For example, glass work creates chemicals and can not locate within the same studio space as ‘lower impact’ arts. A foundry was interested in located in Toledo some years back but was not approved. Artists who were living in Toledo at the time may have more information. A local metal sculptor had a studio in the industrial area, but the property was sold and he moved elsewhere (possibly onto Hwy 20). Also, wood burning can be an issue and require a hood for ventilation over the workspace.

General Toledo Questions

- 1. Why do you think businesses choose to locate in Toledo? What about Lincoln County?**
Small business owners are looking for affordability and small towns that are ‘moving up’. That’s why Becky and her husband moved to Toledo – it is safe for the family, beautiful, and comfortable. This is an attractive place for businesses reliant on internet access – telecommuters or other internet-based businesses looking for a low-cost lease, highway access, and/or port access. It is a good place for specialty businesses. Small business owners in Toledo will be hard-pressed to support a family on income from that business, so many of them also sell products online or in other venues. For example, Pig Feathers markets their sauces and Going to the Dogs sells pet toys, doggie beds etc at shows, online, etc.
- 2. What types of businesses do you think have the most potential in Toledo?**
Homebrew supplier, art supplier or framing shop, and other specialty shops that would draw people from outside the community to shop in Toledo. Not department stores, clothing stores or furniture stores which require a larger market.
- 3. How do you think the NOAA relocation will impact Toledo?**
Different predictions have been made. It is likely that there will not be a huge growth in high-paying jobs, but mostly support jobs. However, any new employer is good!
- 4. What regional and national trends will impact Lincoln County and Toledo the most?**
 - ◆ Internet-based businesses and employment
 - ◆ Role of big-box stores and the inability for small, local stores to compete. Small businesses need to become more flexible to adapt to this new situation.
 - ◆ As people become more aware of negative impacts of corporatism, more are shopping locally. There is potential to build the fresh/local market around produce and agricultural products in Lincoln County, especially from the Siletz area.
 - ◆ “Made in Toledo” program is increasing awareness of the need to buy local. The arts community is jumping in too, with many artists manufacturing and producing their goods in Toledo. A new video game developer just sold a game to X-Box.
- 5. How would you rank the County and Toledo in terms of the following characteristics? (1-4 with 1 = poor, 2=fair, 3= good, 4 = excellent)**
 - a. Location relative to markets - 1
 - b. Availability of key transportation facilities - 3
 - c. Key public facilities (water, sewer, etc) - 3
 - d. Labor market (including cost, workforce training and education) - 2
 - e. Materials and energy (availability and cost) - 1
 - f. Necessary support services – 2 (artists can buy and sell many supplies online, which can make this a 4)
 - g. Pollution and control issues - 4
 - h. Education and technical training - 1
 - i. Other (such as land availability) - 4
- 6. Are there any other economic development trends or issues I should be aware of?**
One of the most important things for the community to do is to pool resources for advertising. It is important to have professional-level marketing, press releases and signage

Toledo EOA Stakeholder Interview
Economic Development Alliance – Caroline Bauman, July 2010

1. Toledo Enterprise Zone

New Enterprise Zone differs in description and mapping. Before there was list of taxlots – this has now been simplified for Toledo and covers the entire city limits. It is a short-term EZ. This is the most common and basic designation. It was approved on June 30th and will last for 10 years. We have also applied for E-Commerce but have not yet been approved. It is a rigorous process to get the E-Commerce designation and you need a company willing to commit to a \$500,000+ expansion.

(Long term EZ is rural designation and might be possible if they felt they had an opportunity for long term investment).

County and city are both sponsors and Caroline is the manager.

CTSI has enterprise zone by statute, will need to talk with them for coverage.

2. What has been the impact of enterprise zones throughout Lincoln County and in Toledo in the past decade?

Impact of EZ – before Caroline, 8-10 companies have used the EZ which is pretty good. The most famous is Rouge Ale, which keeps growing and uses EZ under the name of Oregon Brewing. Smaller ones are Pacific Expedition, which is leaving and maybe consolidating at Puget Sound site. Many businesses are consolidating to headquarters like this one.

Toledo has more potential than anywhere else because they have more industrial land.

3. Can you provide examples of small and large businesses which have benefitted from being a part of the Enterprise Zone?

Niche fish processing i.e. Island Wild which has been located on Port property for 2 years Oyster farm on the bay – but maybe not in Toledo. Might locate in Toledo because there are more sites. Other than S. Beach there aren't many industrial sites. Newport area is more built up and more restrictive. Not a lot of sites on the coast in general, and not a lot of flat land... flat land that does exist is in the flood plain.

4. Are there other financial incentives to locating a business in Lincoln County / Toledo?

HUB Zone - a federal designation for historically underutilized business areas. Because the area is economically distressed. So, the area has a preference for federal contracts, which helped in located NOAA and other contracts.

5. Are there any regulatory barriers that can make the area look less attractive?

Topographic barriers – lack of flat, accessible properties. Lincoln County is 90% forest, then residential, commercial and covered in water... Caroline is trying to find what there is and create an industrial lands inventory. Not many regulatory barriers, but not densely populated so the workforce numbers are limited. County has people seeing employment but not at the same intensity as other areas.

S. Beach, Waldport and Toledo have the most potential but Toledo is most competitive because S. Beach and Waldport focus on other things and Waldport is more off the beaten

path in terms of shipping and supply chain. Hwy 20 project will help Toledo and Newport both.

Performance standards would be a regulatory barrier but standards might actually make the area look more attractive. This will vary according to the industry.

6. In terms of commercial development patterns, infill / redevelopment / new sites? What about industrial and institutional/professional office development? (throughout the County)

Leads from Oregon Prospector show that 50/50 locating on bare land vs. existing building. Due to the economic downturn on the coast there is more reuse and reutilization. NOAA is an exception. Only other types of bare land building are hotels and residential – not commercial and industrial generally. Lack of flat land is increasing this trend.

7. How do you think the site inventory compares with the observed trends? Are there too many or too few of certain types of sites?

The inventory is balanced. There are fewer sites, but also fewer opportunities. The inventory is fine and suitable for the needs – just about right.

8. What are Lincoln County's assets in terms of economic development? What sets the County apart from the other counties in the Employment Department's Region 4 (Linn-Lincoln-Benton)? What about Toledo?

Compared with the rest of Region 4, Lincoln County is forgotten. Linn and Benton have agricultural industries, and Lincoln has fishing (agriculture is very small, limited mostly to farmers markets, microenterprises, goats, blueberries, nurseries, floral, and wild mushroom picking – small scale businesses). Toledo has more agricultural potential than the rest of Lincoln County because it is sunnier/better weather.

Tourism is much higher in Lincoln County than Linn and Benton due to the coastline. Ocean is free, so there are still visitors despite the economic downturn. The downturn is affecting the purchases and activities of visitors, though. Before a family might buy a kite for each person, and now they just buy one can share.

Commercial fishing set Lincoln County apart.

Retirees set Lincoln County apart – they have a fixed income and are not in the workforce, so they don't add to the pool of potential employees. We do see retirees working because of the lower number of people in younger age brackets. Because of their fixed income, they are 'regular' consumers of needed professional services, food etc. and pay property taxes. This actually has a stabilizing effect on the local economy and is an asset.

Fiber optics – Toledo is part of one of the rings. Need to be a customer of the service, or hook up with one – these are usually bigger users such as hospitals, schools and government offices.

9. Can you describe what steps a business needs to take to qualify for bidding on NOAA contracts? What businesses in Toledo qualify?

Need to be on the list of qualified companies to bid on federal business opportunities (and have a DUNS number and CCR). GCAP does trainings

Numerous Toledo business owners were trained, and maybe some have done through to become qualified. They trained about 100 business owners overall. The Alliance is looking for funding to follow up on this, and see who did become qualified and why or why not. Need to do more outreach.

10. What regional and national trends will impact Lincoln County and/or Toledo the most?

- ◆ Economic gardening/Buy Local trend, under the theory that ‘a person who is most likely to create jobs already lives in your jurisdiction’ – focus on local growth and not national recruitment.
- ◆ Economic downturn – it is harder to finance businesses and get credit. The area has few manufacturers, so there has been less of an impact for Lincoln County.
- ◆ Toledo can be more bedroom community, because it is more affordable than others on the coast. If the growth in population spends their money there, it will be a great benefit. But, if the new residents spend their time and money in Newport or elsewhere, there will be no benefit to Toledo.
- ◆ Telecommuting and the ‘knowledge economy’ – drawing the well-educated creative class and ‘lifestyle entrepreneur to the area
- ◆ Global economy – S America and Norway are also competitive in the fishing industry. Shellfish and oysters require clean water
- ◆ Marine research is competitive among port cities

11. How would you rank the County and Toledo in terms of the following characteristics? (1-4 with 1 = poor, 2=fair, 3=good, 4 = excellent)

j. Location relative to markets	1
k. Availability of key transportation facilities	1 (Toledo is a 2 relative to county)
l. Key public facilities	3
m. Labor market	2
n. Materials and energy	2
o. Necessary support services	3
p. Pollution and control issues	3
q. Education and technical training	2
r. Other (such as land availability)	3.5
s. Business recruitment and retention	3.5

Your question has gotten to some of our weak points for the county and Toledo. We are heading upward on raising education and support services and lowering pollution, but they are still in the middle. I believe that i and j rate higher in Toledo due to your work and the Mainstreet program.

12. Are there any other economic development issues I should be aware of?

(Via Email, from previous correspondence on related issues)

Specific economic development opportunities (or lost ones) within and outside urban growth boundaries?

Our greatest opportunities right now lie in jobs that are associated with Marine Research and Education and feel it is a basic industry. My office is finalizing an economic impacts report on the NOAA re-location of the Marine Operations Center - Pacific. We foresee vending to the federal gov't as a tremendous opportunity and are training companies for that. Becoming a government contractor will also help our small businesses compete for contracts with the USDA Forest Service, Coast Guard, and agencies that operate out of Hatfield Marine Sci. Center. Within the UGBs we also have opportunity to sell specialty seafood and we are actively trying to support this industry. Value added seafood is a potential stabilizing force on our commercial fishing fleet, if they can get a better price by selling themselves, to restaurants, freezing, or making a product for a high end market. The markets are located in Farmer's Markets, local retail/eating place, Newport Bayfront, and the internet.

In Tourism, the opportunities are in green and sustainable travel and catering to that market and other specialty markets such as culinary-, eco- or nature-, and cultural-tourism. There is an opportunity to welcome small cruise ships once we upgrade our port terminal and we are working on that strategy.

We are also seeking out high tech workers and entrepreneurs by offering a fantastic place to locate with telecom capability. We are following the lead of the Columbia Gorge which has a small but growing high tech cluster. The upgrading of cell coverage is part and parcel of this.

OUTSIDE UGBs:

Lincoln County is last (36th) on the agricultural sector of the economy. We have the opportunity to increase this with small specialty crops that do well in our climate. Goat cheese is an example. We support our Farmer's Markets as a way for the farmer to get the best possible price. Value added wood and forest products such as sustainable lumber, furniture and mushrooms are another area with growth potential and there is an NGO working on this. We can grow our high tech workers and creative class as they can often work at home in the rural areas of the county. Many high end homes are outside the UGBs here and have views or acreage for the creative type or part time retiree to work (they don't create jobs though).

Given the constraints of our geography and location, we have not lost a lot of opportunity. We may lose a large company here and there if we cannot supply the water, power or land required. We are more interested in the economic gardening model.

Adequacy of land available for commercial and industrial development?

It is true we do not have a large inventory of bare land inside the UGBs for commercial use. But we have so many vacancies that we should be looking at re-development and re-use. Outside the UGBs the commercial land is on Highway 101 and almost exclusively tourism. Unless our properties are full all year we are not too concerned with incentives for more. Tourism is hurting right now, and is a low paid industry.

Industrial development: in the UGBs we have some bare or underutilized land. We have industrial areas in Newport, Waldport, and Lincoln City and particularly in Toledo. Our strategy is to concentrate on these locations and not so much on the areas outside the UGBs. We are focusing on small, clean, light industry. We cannot offer the size and age of workforce to compete with any metro area for a large or even mid size industrial user. That makes our land base more adequate.

Toledo EOA Stakeholder Interview Lincoln County Assessor Interview - Peter Boris, June 28, 2010

List of property sales is available at the office

Trends

- ◆ Industrial lands are being used for commercial uses and are under-utilized (ie. warehouses)
- ◆ Lincoln County – not redevelopment, not new development... industrial uses are just quietly going away. The beauty of the area is leading to a take-over by tourism and retirement sectors
- ◆ Environmental concerns regarding industrial uses. For example, GP uses liquor to dissolve wood into fiber near Nye Beach. They dumped it into the ocean, near some of the most valuable property on Nye Beach. Oregon Surfrider Foundation is following up.
- ◆ CTSI Millsite used for commercial purposes – problem is why would anyone ship from the valley to prepare a product and then ship it back to the valley. Newest thing is the bank that went in. Port did a lot of marketing and had enterprise zone status, but it had little impact (at site of former plywood mill). Fred Wahl Property currently has best site use.
- ◆ Catamaran business was boat-by-boat – not consistent and never stabilized
- ◆ Koch Industries bought GP
- ◆ Lumber mill dominates the community
- ◆ Toledo has not been able to bring in manufacturing/industry
- ◆ There are some niche businesses i.e. the business rebuilding old fashioned WWII jeeps
- ◆ Businesses that are in Lincoln County WANT to be here
- ◆ Merchantable timber will be ready when housing market grows – check with Forestry Center
- ◆ Manufacturing and other sectors not overbuilt, so less overall impact of market downturn
- ◆ When housing and commercial property values went up, this was not mirrored in the industrial properties. People from California and other areas invested in residential and also commercial to avoid the 28% tax but they did not invest in industrial lands. Related to this, when people relocate to the coast, they bring their own sense of ‘property values’ and can cause an increase in perceived value and bump up prices – this was clearly seen in residential real estate market.
- ◆ Tax abatements – Rouge Brewing is the best example, along with a cabinet maker and organic room deodorizer. Most development in Lincoln County is associated with housing market, i.e. specialized siding manufacturer.

TIP Properties

Properties sold to business associates & local families with businesses. The assessor found out about a lot of sales after the fact, once buildings were being built – there was a lack of communication.

NOAA & Maritime

- ◆ Toledo has access to the ocean for moderate-sized boats to be maintained away from the harsh ocean waters and weather
- ◆ Toledo can serve smaller boats - NOAA boats may carry smaller boats that can be serviced in Toledo – probably not the 300-400 foot boats, but only up to 80/100 foot fishing boats. There is no physical capacity to get the bigger boats out of the water.
- ◆ May need to dredge – check with Bud
- ◆ Fred Wahl is a major plus for the community – it can serve pleasure boats and fishing community in a controlled environment. The cost of repair might be less away from the water and less pollution (i.e. lead paint)

- ◆ Toledo is 10 river miles from Newport
- ◆ Dredging – Newport considered locating the Ghost Fleet from San Francisco at the Port of Newport simply to up the tonnage and get dredging services from the Coast Guard. They would have dismantled the fleet of WWII warships, but there was huge danger of invasive exotics. 300 people showed up at a 2003 public meeting to protest. It was turned down and is now in Alabama. The need for dredging can drive some risky choices. They also looked at shipping woodchips to Asia, but the bark in the water would have changed the entire ecology of the bay and created a superfund site.

What sets Toledo apart from other areas

- ◆ Access to salt water
- ◆ 10-12 river miles away
- ◆ Salmon, crab fishing boats winter there
- ◆ Rail may or may not be a boon
- ◆ Quality of life – short commute – Toledo can advertise its beauty along with transportation options
- ◆ Toledo is a ‘step above’ in terms of landing industrial uses because it already is seen as an industrial town. There are 2 industrial areas in Newport – north of town the plumbing wholesaler is out of business
- ◆ Mill town, Fishing town – Toledo / Tourism, fishing, logging - Newport

Liabilities

- ◆ Mill predominates – lack of economic mix and can deter tourists and recreational users
- ◆ Not many

Commercial Trends

- ◆ GP – sold to Koch Industries, 40% decline in the number of people at the Mill
- ◆ Restaurant became the health clinic
- ◆ Tech business in Toledo damaged – too close to salt water
- ◆ Timber or water related best bets, although Astoria is the go-to place for fish collection
- ◆ At the county level, businesses are migratory – in the spring there is a tourist boom, which is fading.
- ◆ Local car dealerships consolidated into one location – Power (out of the valley?). Old dealership at intersection of 20 and 101 is empty, which is a prime spot.
- ◆ Blockbuster – out
- ◆ Ben Franklin – out
- ◆ Craft Warehouse – now rents table space as a flea market type space
- ◆ Fred Meyer, Wal-Mart and Dollar Store are flourishing in Newport
- ◆ Lincoln City has a bit more activity – it is closer to Portland
- ◆ Nothing new in Toledo in the past few years
- ◆ Activity has gone to sleep, but 2 quality medical hospitals serve retirees. The slow influx of retirees replaces those who have moved away. “Continued Retirement” jobs including home medical care, doctors, therapists, supermarkets, restaurants and other services for retirees.
- ◆ Services for commercial fishing fleet are limited, so Fred Wahl may be more competitive with Seattle and Coos Bay for local fleets.
- ◆ CTSI – Golf course and RV park at Devil’s Lake – symbiotic relationship with beaches. CTSI generates 30% of foot traffic in Lincoln City year-round

Development trends

- ◆ Consolidations or inexpensive replacements are the trend – pole buildings are cheaper
- ◆ 6 or 7 sales per day are now down to 3 per week in real estate market
- ◆ 20% of market is foreclosures or short sales - Inquires are increasing regarding foreclosures
- ◆ 3 building permits for new houses recently
- ◆ Half of the homes are summer homes or retirement homes. A lot of infill and redevelopment of older residential areas with summer cabins but not full time homes.
- ◆ Brownfield development – Starbucks and Wendy’s on 101 were both gas stations/brownfields but the commercial value of the sites made redevelopment possible. Other sites have creosote contamination. Alsea Veneer Mill behind Angel Job Corps – 6th & 101 – real estate agency is now using MR Wood Oil Company site – bay front LNG plant was a fish plant but reclaimed now for a natural gas plant. Depends on location!
- ◆ Shifting from manufacturing to things attached to the beauty of the area
- ◆ It is easier to simply move than to expand or build new – ample open storefronts
- ◆ Fish Processing: Hake-Whiting processing on Embarcadero in Newport – need to process quick for artificial crab or else intestinal juices eat up the meat. Pacific Shrimp, Trident

Toledo EOA Stakeholder Interview Oregon Employment Department Interview - Will Summers, July 2010

Lincoln County compared with Region 4

- ◆ All ocean industries, especially with NOAA arriving – there are definite opportunities such as the boatyard in Toledo. Keys to boatyard success including dredging the river and being able to handle larger boats that NOAA brings in. The Port would need to prepare for this with the possibility simply to complete the upgrade of the boat yard, but no guarantee that they will be able to bring in NOAA boats.
- ◆ GP – the mill’s future. They have done a lot to automate and be competitive but the future of mills is uncertain. As far as Will can tell, GP is ‘good to go’, depending on the company’s feed stock situation. GP in Toledo may not be that competitive in the bigger picture, and with the mill closure in Albany, things are uncertain. Hwy 20 upgrades will allow for longer trucks to serve GP, which will lower costs.
- ◆ Hwy 20 will not enhance tourism as much as benefit local merchants and suppliers to the coast
- ◆ Tourism – no greater increase than the rest of the region. Lincoln City is positioning and publicizing itself as a ‘green city’ for eco-tourism. For example, installation of 2 electric vehicle chargers created a great amount of publicity. As tourism increases everywhere, maybe this will increase it for Lincoln City too.
- ◆ NOAA – will create jobs, but paychecks will go to where the people live, so if people live outside the area, their paychecks, more than likely, will be sent to their homes, Lincoln County may not see the benefit at first.

The Arts – In Toledo, the arts are being promoted as a niche, but this probably won’t lead to a huge increase or draw for tourism. But it will help maintain that part of cultural tourism in Lincoln County as it slowly builds.

Timber – it will be there for harvesting when the demand returns, but is there enough to support GP? GP pulps it for container board – they don’t need premium lumber. There are few sawmills left in the area. The logging companies, while very small, have been able to weather the current down turn, but their future is uncertain because of the continued weakness in the housing and business construction industry.

Specific Industries

- ◆ Watch for business and professional services; when this sector is growing, the entire economy is better poised for growth
- ◆ Need to wait and see the demand resulting from NOAA before we predict increases in specific industries
- ◆ Fishing fleet was regulated smaller and is now limited in size. History: The federal government over-stimulated the industry with tax breaks for mechanization, boats, etc, which lead to overfishing... now fewer fishermen than would be otherwise (without that ‘stimulus’)
- ◆ Maybe wave generation of electricity – this industry will create related maintenance and construction jobs – but it is still in its experimental stages.
- ◆ Marine research – the Marine Mammal Institute at Hatfield may create spin-off businesses and support ‘tech transfer’. The Aquarium Science program at OCCC is unique in the nation and people from around the world come for the program – many biologists come here for the certificate so they can work at aquariums.
- ◆ Federal Forests & Fisheries also expanding its foot print at the Hatfield Marine Science Center.

- ◆ Oyster farming growing industry
- ◆ Clusters – vertical cluster of suppliers and post-NOAA customers that build on and serve each other. This is the biggest recruitment potential at the present time.

Workforce

- ◆ Growth related to NOAA and the Marine Science Center will reverberate throughout the community and require folks with technical skills to participate (i.e. to refurbish ships including HVAC, electrical, stocking). Not just the 6 NOAA ships, but others drawn to the area as a result of NOAA. While the County may not get the manufacturing jobs related to NOAA, we will get jobs maintaining the boats and equipment. These jobs can locate in Toledo, especially with the limited space in Newport. In Toledo, you can get more space at a lower cost. With a commute/transit time of 10-15 minutes, transportation costs and burdens are minimal and not an issue.
- ◆ Currently there is a huge spectrum of employment, with most people in the tourist economy and a good number in the research field. 4000 government workers, 1000 hospital workers, 3000 in trade/transp/utilities which includes retail sales
- ◆ Need more skilled trades people – those jobs have not gone away. Need to create more apprenticeships. Skilled people are a stable part of the workforce.
- ◆ Older than average workforce in Lincoln County compared to Region 4's other counties (Benton and Linn) and the state.
- ◆ Need part-time and seasonal workers for tourism industry, but the housing stock does not support their needs – many houses in the area but actual year-round occupancy is lower than most places – many condos and weekend rentals.
- ◆ Population static since 1997 – 300-400 range since 2000 Census; we see older folks moving in to the area and taking up jobs but we are losing young families (25-35 years old). Jobs that can support young families have always been in short supply in Lincoln County. The number of jobs has gone down since the beginning of the current economic downturn and the increasing cost of living also seems to be driving them away.
- ◆ EEO presentation online- publications regarding affirmative action for demographics
- ◆ Occupational projections – harder to get County specific.
- ◆ Look at replacement openings vs new job openings – there will be a lot of replacement openings as people retire (3-1 ratio). This will drive educational needs.
- ◆ Labor Trends – go to table in back at the top to see labor force characteristics and changes over time (unlike Census)
- ◆ Workforce participation rate & ACS profiles - Census

Regional and National Trends

Despite the downturn in the economy, there is still a need in highly skilled occupations at the national and regional level.

**Toledo EOA Stakeholder Interview
Port of Toledo - Bud Shoemake, July 2010**

Port Specific

1. Plan and prospects for the boatyard

- ◆ DEQ is going for comments at the end of the month
- ◆ EDA grant has been submitted and will be presented in September for improvements to the boatyard, including sewer, rain drainage, power lines, and link with industrial site.
- ◆ Port is providing platform for private industries to lift, clean, and spray boats.
- ◆ Depoe Bay and Newport have a history of progressive fisher-people who are involved politically and can spot trends early on. There is a strong service industry connected with that, with a competitive workforce. Over \$350,000 is generated for maintaining boats each year (65+ft).
- ◆ Dredging isn't necessary at the site, because it is on the scouring side of the river. They have adequate water dockside. The site is before Depot Slough – where dredging usually needs to be done. It is in the UGB and city limits. There are related environmental concerns with dredging, so that stopped last year, and now starting up again.
- ◆ Dredging is a huge long term concern – need upland disposal area. DEQ considers dredge spoils as waste. Bud feels they should require testing of the dredge spoils before considering it waste – if it is clean it should be recycled.
- ◆ Bigger boats can't be brought up the river because there is not enough river draft.
- ◆ Yaquina Boatworks just put a new crane on the Waucoma, and can do anything to a boat above the water now. Need more businesses that are based here and can go to Newport for jobs.

2. Plan and prospects the old fire hall

- ◆ Negotiating with several businesses now. One wants all of it, the other wants part of it. The fire hall is in the gateway to the community, so Port wants a tenant that fits. The site has broad outright uses, so they are carefully considering tenants.
- ◆ Another business wants the Port offices (industrial zone), so the Port could go up to the Fire hall and this prospective tenant can move into Port's current office space. In a month or so a tenant may be sorted out (spin off of an existing regional business).

3. Services provided by the Port: which are the most 'sought after' and which are the hardest to find a user for? Can you share some success stories?

- ◆ Catamaran business is moving to Astoria for \$0.30 per square foot property and unlimited space. The Port of Toledo could not build to compete, renting for \$0.35/sq foot.
- ◆ Will see more marine-related businesses at the industrial sites across from the boatyard. Applied for an EDA grant for sewer connection.
- ◆ At the industrial site, there are 2 flat areas, and the rest is undevelopable. Can fit more into the sites – currently there is one old structure. The site is leased for gas company and storage for RVs etc. Although the Port is currently making money on this site, it could be put to more productive use.
- ◆ Small business units are most sought-after (i.e. catamaran business and fish processing)

- ♦ Rarely vacancies – Fire hall is the first one. Gun manufacturer moved out, and that space is vacant but people are looking at it.

4. In your marketing of Port properties for light industrial and commercial uses, what challenges or surprises have you encountered? What have been the trends in terms of tenants or interested parties?

Slowly but surely getting there – pretty good success – reflective of industrial uses throughout the community. It is the opposite for commercial (slow decline).

No specific trends – boat building, fishing plants, grounding straps are all examples (i.e., American Grounding Straps – 2 inch long or 50ft long – put in machinery or fuel tank, space shuttle, tanks, European solar panels.. many clients. Located in old post office and ready to grow – currently using propane heat and need a heated building)

Cyclone Marine – similar industries will be interested in locating in Toledo.

CTSI site

CTSI is key. CTSI site is beautiful but the elevation kills the site – during 10 ft+ tides, the bottom half of the site gets wet – need to address this issue. Brownfield due to the head rig – mechanical oiling system leaked and now the property is ‘capped’ with asphalt. Also, wood treatment occurred on the site that must be cleaned up. Despite this, brownfield status is not a major concern. 140,000 yards of dredge spoils are pulled out during dredging – Port wanted to put it on that site, which is already built on dredge spoils.

Dave Tovey worked on enterprise zone language – before only the Warm Springs and Umatilla Reservations benefitted. Umatilla has multiple Fortune 500 companies. Now the tribe can partner with the city, county or port. Dave wants to partner with the Port for marketing etc.

Current Tenants: Shangri La (wood cutting), Tire recycler, mechanic renting part of a shed, Western Cascade uses site to load onto rail

5. Can you explain the design criteria for industrial buildings at the Port? What have been some challenges and benefits of using these criteria?

Committee of 5 local residents, including historical experts, artists and those in building trades). Paying a ‘little bit more money’ will only deter people if they have a choice. Port did not want big ‘pop-up’ buildings. Sold a parcel to the bank and then went through the design process.

Lesson learned through this process is that the city wants ‘smart industry’. Will start seeing changes to waterfront in next 2 years.

General

1. In terms of industrial development patterns, do you see more infill development and redevelopment of sites or development on new sites in Toledo? What about commercial or other types of non-residential development?

Looking for older properties – most undeveloped sites have potential wetlands. All others already developed.

Commercial rates are so cheap that landlords don't put money into the buildings, and it becomes a cycle. The art galley was a big investment but a semi-retired wood-turner.

2. Advantages/Disadvantages to locating a business in Lincoln County and/or Toledo?

Advantages

Cheap rent

Industrial environment

Better weather – esp. for the boatyard

Disadvantages

Choices – Toledo has adopted a 'mill town' appetite, and need to increase diversity of choices

Toledo needs to decide what it wants – the situation with the asphalt plant will have a ripple effect and people will think that Toledo is not a good place for business. Need to advertise that Toledo is open for business!

3. How would you rank Toledo in terms of the following characteristics? (1-4 with 1 = poor, 2=fair, 4 = excellent)

- a. Location relative to markets - 2
- b. Availability of key transportation facilities -2
- c. Key public facilities (water, sewer, etc) -3
- d. Labor market (including cost, workforce training and education) - 2
- e. Materials and energy (availability and cost) - 3
- f. Necessary support services - 3
- g. Pollution and control issues - 3
- h. Education and technical training - 3
- i. Other (such as land availability) -3
- j. Business recruitment and retention - 2

**Toledo EOA Stakeholder Interview
Oregon Coast Community College SBDC – Ron Spisso, July 2010**

- 1. Can you describe training opportunities in Lincoln County? Are there any training opportunities within the City of Toledo that you are familiar with?**
 - ◆ OCCC website, Link Biz newsletter
 - ◆ Quarterly – 30 classes, some online but usually at the community college
 - ◆ Also small business management training course (2-3 Toledo business go through each year). Some classes are held in Toledo. Laptop series is most popular (i.e. social networking, Google, etc)
 - ◆ Misty Lambrect – works as independent contractor for these classes
 - ◆ SBM programs – always survey needs – marketing, book keeping, accounting, personnel management classes. Most popular are the social networking classes, which can teach cheap, fun and effective ways to advertise.

- 2. Can you see any trends in the types of business that go through SBDC programs or that approach SBDC for information?**
 - ◆ Independent contractors increasing – servicing other businesses ... but there are no bigger businesses to service
 - ◆ More web-related businesses (i.e. online magazines, social networking sites)
 - ◆ More 1-person, home-based businesses
 - ◆ Hi-tech segment coming into Lincoln City – Lincoln County Technical Solution (GPS guys – software) www.LCTSA.org
 - ◆ NOAA coming in, so training for certification is popular

- 3. Part of the SBDC mission is Economic Gardening... what sorts of industries and businesses do you feel will bear the most fruit in upcoming years? Why? Can you talk about some of your micro-economic development projects?**
 - ◆ Talk to Hannah Clauson at SBDC – Buy Local Program
 - ◆ Infrastructure for DSL lines made a difference
 - ◆ LCTSA – John Lavarkus – private sector view – involved in wave energy research
 - ◆ Home businesses/ lifestyle businesses can grow (i.e. Burt's Bees) but have a tendency to stay small
 - ◆ Software/wave research etc. has more potential and more opportunity with NOAA relocation. Combination of applied intelligence and wealth investment can help to spur spinoffs built off of personal relationship and business partnerships (i.e. Hatfield, NOAA, LTCSA are networking)

- 4. What are some financial incentives to locating a business in Lincoln County and/or Toledo?**
 - ◆ Cost of living – right now at median cost of living index (New Jersey is 200, Corvallis is 120, Lincoln County is 100)
 - ◆ Great place to live – Economic Development Alliance works on Enterprise Zone and HUB zone

- 5. Are there any regulatory barriers that can make the area look less attractive?**

High SDC fees in Newport: \$44,000 SDC fees for a 2000 sq ft restaurant – may deter people to Toledo?? SDC fees stifle business and encourage chains with deeper pockets. On the flipside, these fees help to protect existing businesses against new entrants... but also discourage 'creative destruction'. Newport over 20 years – corporatization of small business

sector – Wal-Mart, chain restaurants – who don’t participate much in local chamber and institutions... don’t build community.

6. What are Lincoln County’s assets in terms of economic development? What sets the County apart from the other counties in the Employment Department’s Region 4 (Linn-Lincoln-Benton)? What about Toledo?

- ◆ Port, NOAA, Hatfield, OCCC, Hospitals which were brought into the Good Samaritan network (Trying to start independent clinic in Yachats – failed when not supported by Good Sam)
- ◆ Baby-Boomers will continue to impact the coast – like to start small businesses but most don’t make it without a lot of experience
- ◆ Coast lifestyle entrepreneurs
- ◆ Toledo is a bit schizophrenic – love/hate relationship with the Mill. Mill v. non-Mill but mill keeps the rail line open
- ◆ Commercial properties – rents don’t justify the reconstruction. Rent is so low that capitalization rate is 2% when it should be 8%.

In Toledo:

- ◆ Incentives to own or occupy buildings downtown
- ◆ Find people who want to live in the town and develop the town – put in sweat equity – those are the ones who will grow the city (i.e. Michael Gibbons)
- ◆ In 1990, Toledo was in much worse shape – Main Street had been burnt out
- ◆ Lawyer in town owns a lot of property, including clinic building. Buys buildings and fixes them up – little debt, can do it reasonably

7. What regional / national trends will impact Lincoln County and/or Toledo the most?

- ◆ County not growing
- ◆ Baby boomers – but liquidity problem, especially after economic downturn

8. How would you rank the County and Toledo in terms of the following characteristics? (1-4 with 1 = poor, 2=fair, 4 = excellent)

	Toledo	County
a. Location relative to markets	1	3
b. Availability of key transportation facilities	2	2
c. Key public facilities (water, sewer, etc)	4	
d. Labor market	2	
e. Materials and energy	4	
f. Necessary support services	3	
g. Pollution and control issues	3	
h. Education and technical training	2/3	
i. Other (such as land availability)		
j. Business recruitment and retention	4	

- ◆ People complain about labor market, problems with trades people (HVAC, plumber etc)
- ◆ Peter Laharia with high school is trying to start up a hi tech training program – funding problems
- ◆ Island Wild – potential to use rail-refrigerated transport – need more volume
- ◆ Highway 20 and rail are pluses for Toledo
- ◆ Oregon has great power prices
- ◆ Mill pollution at Nye Beach?

**Toledo EOA Stakeholder Interview
Siletz Tribal Business Corporation – Dave Tovey and Steve Larrabee, September 1, 2010**

STBC Specific

1. Plan and prospects for the Toledo property.

Toledo Ind. Lands project has prompted the STBC to draw up plans for their industrial property in Toledo. They have contracted with Maul, Foster & Alongi to create a preliminary master plan, identify utility loads and identify possible uses.

STBC wants to leverage what is there now – industrial warehouse buildings of a variety of shapes and conditions, water access, rail access, and road access. The site is currently being used for light industry and storage. Users include: Rainforest Mushrooms from Eddyville, which grows organic mushrooms onsite; Pacific Disk, which recycles tires for boat bumpers; Shangri-La, which employs developmentally disabled adults to cut timber for kindling; and Northwest Maritime, which is a CTSI business employing sonar for underwater salvage and clean-up all around the Northwest (and pursuing work with Army Corps and Bureau of Reclamation for inspection of dam outflows). STBC plans keep Northwest Maritime on the property over the longer term, and is currently weathering the economic downturn. The site is also utilized by Western Cascade Lumber for rail shipping.

The property is surrounded by residential land, but there have been no issues thus far. Residents realize that the small smell or noise impacts correlate with economic growth and jobs, which makes them more palatable.

Site is a model for reservation business enterprise zones, and STBC is working with State staff to make it happen. They are also working toward 'shovel readiness' and inclusion as a Certified Industrial Land.

2. Recent business investments and experiences in Lincoln County/Toledo

Siletz Technologies is a software outsourcing business in Lincoln City which is growing. Once they grow beyond 15 employees they will need to find another location. This enterprise is a good example of a partnership – Lincoln City came through once the Tribe received a start-up grant. Funders recognized and appreciated this partnership. Bandwidth is really key for this enterprise (because they operate on a “cloud” and not on their own local server) and is a reason it would have been difficult to locate in Siletz. They need a redundant, looped system – Toledo is on a loop.

3. Opportunities associated with development on CTSI property (for the community, workforce, and wider economy).

STBC sees great opportunity in shared resources and marketing in the Newport-Toledo-Siletz region. If a business is coming into the area, these cities would make sense as a place to locate. This 'region' can work collectively towards growth, realizing that economic development is not a competitive process at the local level and that regional growth benefits everyone.

4. Do you administer a Tribal Enterprise Zone? Describe.

Senate Bill 725 provided all tribes the opportunity for enterprise zones. There are two types – one for reservation lands (like the Dundas property near Siletz) or a Partnership Enterprise

Zone for in-fee property. The partnership zones require the Tribe to work with another entity for the tax credits. The Toledo site has become a model for the State for the partnership enterprise zone; the Tribe is working with staff from Business Oregon and Port Commissioners to make it happen.

5. Potential for hi-tech industries (i.e. software outsourcing) in Toledo.

- ◆ There is a game developer in Toledo which has received funding from the Tribe – high tech businesses like this one are leveraging the high quality of life in Toledo.
- ◆ The labor rates are very favorable in rural areas, as compared to cities where the cost of living is higher. There are also time zone and language barriers in other places, which makes it more practical to keep employment local and stateside.
- ◆ OCZMA staff is encouraging relocation of hi-tech retirees to the coast

6. Resources and training provided by STBC.

- ◆ Tribal loan program, which lends up to \$10,000 for businesses owned by tribal members. Funds can go toward start-up costs or to supplement an existing business.
- ◆ Training programs – on September 24th, the STBC is hosting the Tribal Business Forum, which will include sessions on working with the federal government and marketing, among other topics.
- ◆ STBC staff does a lot of ‘ad-hoc’ business counseling, answering questions one-on-one.
- ◆ The Tribal paper also highlights tribal businesses and encourages members to buy Tribal first.

General

1. What are Lincoln County’s assets in terms of economic development? Toledo?

- ◆ Size of parcels and availability of industrially zoned properties. Around the state there are a lot of properties zoned for industrial but their owners may not want to develop it as such. This is not the case in Lincoln County and Toledo.
- ◆ Railroad and river access in Toledo – can improve on the roads.
- ◆ Community in general – it is a nice, attractive place with growing arts and industrial sectors. The controversy that sometimes develops among the two sectors can be considered a good thing – it points to growth and thriving economies that most small cities would love to have.
- ◆ The Ocean – for shipping and for ambiance
- ◆ Here, economic development entities are able to stay focused on the goal.

2. What are the County’s constraints for economic development? What about Toledo?

- ◆ For STBC, simply having enough staff capacity has been difficult. They have hired Steve Larrabee which has helped, and have also hired a property manager for their Toledo site. The STBC is harder to ‘find’ when a business is looking to locate because their office is not necessarily where their property is, and they are less well known than the Port or City (TIP properties).
- ◆ Limitations on barge movement due to bridge height.
- ◆ Can improve on road access to tribal site – this is in the CTSI Transportation Improvement Plan
- ◆ Truck traffic – difficult on highways 20, 18 and 1010
- ◆ No major regulatory or financial issues for the Tribe
- ◆ Need for more coordination on marketing and economic development. The STBC is ready to jump in and share resources.

3. What is the most important thing Toledo can do attract industry?

Let people know where Toledo is and what Toledo is all about. Marketing. Toledo is a very viable location, but people will not think to locate there unless they know about it.

4. What regional / national trends will impact Lincoln County and/or Toledo the most?

- ◆ Seeing very small signs improvement in the economy, but the STBC is just ‘weathering’ it – they haven’t lost any tenants in Toledo.
- ◆ Tourism levels are rising again, but tourists are spending less
- ◆ Niche businesses – diversify product offerings in order to grow. Siletz Technologies may do this by expanding into web management and design or electronic storage.
- ◆ Making housing and health care more affordable is important to economic growth – allows people to stay and afford to live here.

5. How would you rank the County and Toledo in terms of the following characteristics? (1-4 with 1 = poor, 2=fair, 3=good, 4 = excellent)

- | | |
|--|----------------------------------|
| a. Location relative to markets | 2 |
| b. Availability of key transportation facilities | 2/3 |
| c. Key public facilities (water, sewer, etc) | 3 |
| d. Labor market | 3 compared to the rest of Oregon |
| e. Materials and energy (availability and cost) | 2 (materials) 3 (energy) |
| f. Necessary support services | 3 compared to Oregon |
| g. Pollution and control issues | 3/4 |
| h. Education and technical training | 3 |
| i. Other (such as land availability) | 4 (being optimistic) |

Toledo EOA Stakeholder Interview
Toledo Chamber of Commerce – Don Amberg, July 2010

1. Toledo Development Trends

- ◆ Mostly redeveloped and/or infill - not much ‘new’ development
- ◆ Not a lot of industrial. For commercial, some people buy buildings and put money in, but most are hobby businesses and are looking for cheap space. Can’t really expand, especially with industrial land.
- ◆ Under-utilization of industrial land, i.e. TIP properties. There are speculative buyers that are not fully using their property.

2. Toledo - What is greater: expansion of existing businesses or new business developments?

Not a lot of either – new businesses like Island Wild, Pacific Expedition, Cyclone Marine – but all on existing rehabbed sites such as Port property (i.e. Pacific Expeditions, Island Wild).

3. Incentives to move to Toledo?

Space, Price & Availability

- ◆ Cyclone Marine – availability and price brought them in. Did look at other sites, but nothing was available at that time.
- ◆ Island Wild – looking to expand on cheaper land. Looking for retail and industrial space. Already lived in the area.
- ◆ Pacific Expedition – looking for room to grow and want a new building. Timing was off for the Port - the Port had other priority projects than building a new space.
- ◆ Fiber goes to Hwy 20 on main street, and can extend – goes to city buildings

4. Toledo - Barriers? Challenges to economic development?

- ◆ Workforce training can be perceived as a barrier – in reality, this depends on the industry. Chamber and OCCC can work on specific training programs.
- ◆ For industrial development – availability of land. What is vacant is not available for sale or lease.
- ◆ Port properties are available with capital to put into building.
- ◆ Truck traffic/transport not an issue - Western Cascades and GP have truck routes – can get permit to come in from West entrance. If a truck is serving a local business, they have access to roads that are not truck routes.
- ◆ Taxes – the gun manufacturer has said that they are relocating to mountain states due to the passage of 66/67 tax increases.
- ◆ Marketing - Since Don has been at the Chamber, the U.S. has been in a downturn. Don would like to recruit businesses but doesn’t have the recruitment materials etc. It will be important to get the word out via advertising, and market what Toledo has. When a business is deciding where to locate, they first identify a region, and then start looking for qualitative characteristics, which Toledo needs to market.
- ◆ Need to get people motivated to build capacity of businesses – some small business owners wear all of the hats

5. Toledo in 10-20 years. What types of businesses do you think have the most potential?

- ◆ Businesses with the most potential are those that are already here:
- ◆ Marine (fishing and support services)
- ◆ Wave energy – Toledo has opportunity to be a player, not in manufacturing, but in assembly and development on a smaller scale. Can also be a deployment site because of

the rail. CTSI site is large enough for the assembly and can barge down the river. GP bridge may be too low, and may be an obstacle.

- ◆ Airport site – big enough
- ◆ Newport doesn't have much land, so Toledo is a logical choice. Would target small footprint, cleaner manufacturing like the gun manufacture, which can locate easily. High tech ceramics would fit, and other businesses that require rail.

6. Toledo vs. Lincoln County

Toledo

Pros

- Rail and water (deepwater channel)
- Large electric capacity w GP
- Weather – easier to work outside
- Large water capacity

Cons

- Harder for tourism – off the route routes
- Perception of labor force

Lincoln County

Pros

- Available labor force (but unskilled?)
- Professional services available (but perception that they are not)
- Limited choice in retail/services

Cons

- higher transp. cost – no major truck routes

7. How do you think the NOAA relocation will impact Toledo?

- ◆ People will locate in Toledo who work for NOAA – do not have great diversity in housing, but some lower quality houses can be fixed up.
- ◆ More jobs will help the ‘core of support’ for businesses – basic non-tourist businesses
- ◆ Industrial-type businesses are already marine-related, so we can capitalize on this over the next 10/20 years.

8. What regional and national trends will impact Lincoln County and Toledo the most?

Demand for timber will be key; we have private timber land and the timber economy is less dependent on USFS / federal land. Plum Creek is struggling – would be cutting if there was demand.

9. How would you rank the County and Toledo in terms of the following characteristics? (1-4 with 1 = poor, 2=fair, 4 = excellent)

	Toledo	County
a. Location relative to markets	3	2
b. Availability of key transportation facilities	4	2
c. Key public facilities (water, sewer, etc)	4	2
d. Labor market	2	3
e. Materials and energy (availability and cost)	3	3
f. Necessary support services	2	2
g. Pollution and control issues	2	2
h. Education and technical training	3	3
i. Other (such as land availability)	2	3

- ◆ Wetlands can be a problem, floodplain
- ◆ Hazardous waste – Dredge spoils sites (CTSI, maybe TIP). Fred Wahl site is Brownfield – no required to do a study to see if it is worth it to clean up.
- ◆ Rail Road is not the best in the world
- ◆ Sewer/Water works – needs upgrades but has capacity

Toledo EOA Stakeholder Interview

Community Events and Business Relations Specialist - Celeste Matthews, July 2010

Toledo Specific

1. Surveys

Business Survey

- ◆ Started with a template from Marketek, which they had used before. Hand delivered the business survey to downtown businesses through the Main street program. (41 businesses in the 135 spaces – had 21 responses).

Shopper survey

- ◆ Was done on survey monkey, was distributed at local businesses, and was emailed out to personal contacts. They also went to the high school to distribute them to relevant classes and high school staff. Some also handed out at Winston Market.
- ◆ Had a 10% response rate, somewhat representative demographically, although not a good reflection of all age groups. More 45+ and less of the younger 17 and under and 25-40 age groups
- ◆ Found that residents were not motivated by loyalty and proximity, but by price, selection and variety.
- ◆ Try Toledo First effort started, but now the Buy Local Lincoln County effort is going on – limited success, and there is an issue with keeping marketing up-to-date

2. Trends

Business growth.

There have been a lot of copy-cat businesses – when one is successful another opens up to compete, but then it dilutes the success of both. For example, a local dog groomer closed, and then 4 new ones popped up. It is the same with barbers or hair salons and restaurants. In Toledo the choice is good, but Toledo residents go to Newport etc more often.

Development- redeveloped/infill vs. 'new'

Don't build new – hop-scotch around. Many buildings are in poor condition. Buildings are repurposed – i.e., the Cobblestone Pizza on east side was once a restaurant, and then a day care, and is now a restaurant again. Businesses don't really relocate to other communities, but most close and a few might move to Newport.

Industrial sector is slowly growing, with an emphasis on Marine sector (Pacific Coast Boats built Catamarans; fish processing). Port taking over Fred Wahl site will further strengthen these sectors.

3. Incentives/draws for business to locate in Toledo?

Draws

More affordable in Toledo – for example Cyclone Marine did look other places but Toledo had the best opportunities. The business relocated from Argentina. The owner is not too accessible, which makes it difficult. Island Wild also located in Toledo – maybe due to the Port, availability of land, and price. Island Wild was fishing in the S. Pacific, and based in the region – they have moved around the processing facility.

Incentives

- ◆ Strength of the Port (past 2 managers have been active and dynamic)

- ◆ Land price

4. Drawbacks/Barriers

- ◆ Transportation challenges – Hwy 20 upgrades will help a lot. Larger trucks have difficulty navigating the curves.
- ◆ Workforce issues and training availability
- ◆ No major regulatory barriers, but street utility fees are much higher for businesses. Port is strongly impacts (\$75/month). So is GP, which pays \$100+ a month – but GP is one of the biggest users of the system with 100+ trucks a day. Businesses pay based on land use. Can talk to Adam at Public Works for more information.

5. Downtown current and future

Current

- ◆ Main street has been an ‘under performing’ district for many years, but special events are able to draw people in and then learn about the local options.
- ◆ Loss of pharmacy 5 years ago accelerated trend of outward shopping – residents go to Wal-Mart to fill prescriptions and then do all other shopping while waiting.

Vision in 10-20 years

- ◆ Made in Toledo focus – can bridge the traditional business sectors (timber/marine and the arts community). The arts focus has encourage people to relocate to Toledo, such as the wood-turner who is opening a galley downtown. 2 more people came in to fill this work/gallery space. Cabinet maker moved to town for facilities.
- ◆ Small manufacturing (i.e. American Grounding Straps, Next Generation Arms, and specialty bicycles which Port redeveloped fire hall for)
- ◆ Co-op was formed out of self defense. Wood turner changed mind before opening the gallery, so artists came forward to save the gallery space. Wood turner came back and chose to reopen the facility and the Co-op has redefined itself as an arts guild, inclusive of all arts. Will be in the Art Walk, but it is difficult to operate an organization without resources for rent etc.
- ◆ Tried to get a brass foundry. Moving around, with Joseph as the traditional center for this type of art. May not be feasible for Toledo.

County-level questions

6. How do you think the NOAA relocation will impact Toledo?

Will benefit Toledo because of boat repair and maintenance facilities. Employees may live in Toledo.

7. What regional and national trends will impact Lincoln County and Toledo the most?

Bedroom Community

County trends include concerns with school district. The district loosened its policies on where students can go to school, so now bigger schools attract more students, reinforcing the cycle of declining schools (who in turn get less money based on declining enrollment). Depopulates schools elsewhere – now Toledo is down from 4 schools to 2 in the past 4 years. Toledo may lose high school too. In some ways, Toledo has become a bedroom community, and people are interacting and spending time elsewhere.

Need More Business Training

Business failure rate and lack of business owner education. It is available, but business owners don't invest in it and understand how important it is to have this knowledge base before opening a business.

8. How would you rank Toledo in terms of the following characteristics? (1-4 with 1 = poor, 2=fair, 4 = excellent)

	Toledo
a. Location relative to markets	1
b. Availability of key transportation facilities	3
c. Key public facilities (water, sewer, etc)	3- port, rail, hwy, airport
d. Labor market	3
e. Materials and energy (availability and cost)	2
f. Necessary support services	3
g. Pollution and control issues	3
h. Education and technical training	3
i. Other (such as land availability)	2- suitable land

Appendix B

Toledo Economic Opportunities Analysis Community Survey Instrument

Toledo Jobs Survey



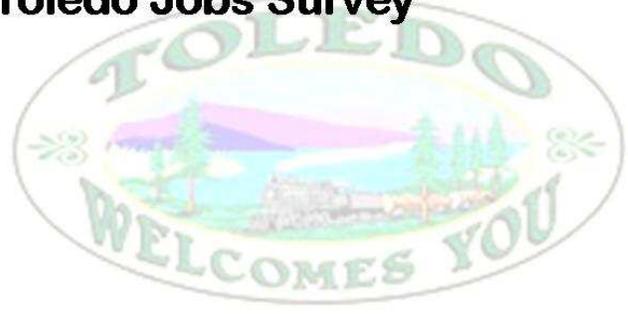
*What type of jobs are best for Toledo?
Where are the best places to put new businesses?*

Help us answer these questions by completing this survey and returning it by October 11th. Your responses will help the City update the Comprehensive Plan and development code in a way that encourages the type of jobs that are the best fit for Toledo. To learn more, go to: www.cityoftoledo.org or call Theresa at (541) 758-1913.

Please drop off completed surveys by 5 pm on October 11th at the Toledo City Hall or Library.

1. Please list two reasons you like living in Toledo.
2. What two things would you change about Toledo?
3. If you are working, what is your primary occupation?
 - Skilled Trade (electrician, construction, etc.)
 - Manufacturing (paper making, food processing, etc.)
 - Professional (i.e. medical, clerical, education, etc.)
 - Technical (i.e. research, engineering, IT, etc.)
 - Retail or related services
 - Other _____
4. If you responded to #3, please tell us where you work:
 - In Toledo
 - Within 10 miles of Toledo
 - 11-25 miles of Toledo
 - More than 25 miles from Toledo
5. What types of jobs are most needed in Toledo? (Check all that apply.)
 - Skilled Trade (electrician, construction, etc.)
 - Manufacturing (paper making, food processing, etc.)
 - Professional (i.e. medical, clerical, education, etc.)
 - Technical (i.e. research, engineering, IT, etc.)
 - Retail or related services
 - Other _____
 - None, we have enough jobs here.

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 - Technical (i.e. research, engineering, IT, etc.)
 - Retail or related services
 - Other _____
 - None, we have enough jobs here.

6. What kinds of employers would you like to see in Toledo? (Check all that apply.)

- Medical services (doctors, dentist, technicians, etc.)
- Scientific or Engineering
- Computer systems repair or development
- Professional services (lawyer, architectural, etc.)
- Skilled Trades (electrician, construction, etc.)
- Natural resource related (fishing, logging, etc.)
- Art sales or galleries
- Outdoor recreation or tourism
- Food processing (fish or fruit)
- Boat repair and marine related
- Resource manufacturing or processing (wood and metal products, stone or plastic products, etc.)
- Small-scale manufacturing (electronic components, medical or optical instruments, etc.)
- Hospitality and entertainment (hotel, theater, etc.)
- Restaurant/food service
- Retail or related services
- Other _____

7. What additional infrastructure and city services would your household be willing to pay for to help attract businesses to Toledo? (Check all that apply.)

- Improve community appearance in these areas
 - Downtown
 - Industrial areas
 - Parks and open space
 - Hwy 20 business loop
 - Residential areas
 - Streets and utilities
- Improve community amenities (trails, libraries, etc.)
- Establish design standards
- Additional staff time for code enforcement
- Highway 20 commercial development
- Workforce training
- Marketing community to interested employers
- Utility upgrades

8. Where are the best places for industrial development in Toledo? (Please describe.)

6. What kinds of employers would you like to see in Toledo? (Check all that apply.)

- Medical services (doctors, dentist, technicians, etc.)
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- Computer systems repair or development
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- Utility upgrades

8. Where are the best places for industrial development in Toledo? (Please describe.)



Thank you for your participation!



Thank you for your participation!

Appendix C

Toledo Economic Opportunities Analysis Community Survey Results

A community survey was conducted by the City of Toledo, with assistance from OCWCOG, during October 2010. Approximately 1,400 surveys were distributed as door hangers to all households in city limits. There were 74 respondents.

The intent of this survey was to gain a general sense of community opinions on a variety of issues related to jobs and, more specifically industrial and manufacturing jobs, in Toledo. The survey was not intended to provide a statistically valid sample, but to provide an additional venue for community input during the Toledo Comprehensive Plan and Industrial Code Update process.

Generally, respondents indicated that they placed high value on the small town character, good weather, location and natural amenities in Toledo. Respondents also indicated that they desire more jobs, particularly jobs that are in traditional sectors for Toledo, small manufacturing, retail, and in other low-impact sectors. Respondents indicated that this could include small scale manufacturing, technical or industrial businesses, provided that they had limited impacts. Results indicate that there is limited support for spending additional staff time or resources on code development, code enforcement, or the creation of design standards. There was also less support for development of industrial areas as a way to attract new businesses. There was greater support for overall improvement of community aesthetics and amenities, including parks and open space and the downtown area. Respondents did indicate an interest in marketing the community to interested employers. The following is a tabulation of the results.

Question #1: "Please list two reasons you like living in Toledo."

Small Town/Rural Community	31
Friendly Family/Friends/People	30
Weather	22
Location	15
Natural Settings/Trees/Parks	10
Community Spirit/Decorations/Events	7
Quiet	6
Waterfront	4
Business Opportunities/Existing Businesses	4
My Home	3
Affordable Housing	3
Traffic	2
My Job	1
Limited Growth	1
Familiarity	1
Arts Community	1
Good Water	1

Question #2: "What two things would you change about Toledo?"

Increase Job Opportunity/New Businesses	29
Clean Up/Appearance	16
Recreation/Community Events/Theater/Amusement Options	10
Limited Retail/Restaurant Choices	7
Community Attitude/Lack of Community Involvement	6
Schools	5
Mill Reputation/Smell	5
More Police/Code Enforcement	5
Infrastructure/Road Maintenance/Rail Road Crossings	5
City Government	4
Drug Use	3
Walking/Bike Trails	3
No Change	3
Affordable Housing	2
Signs	2
No Asphalt Plant	2
Low Income People	1
Environmental Issues	1
Trucks	1
Literacy	1
Reliable Business Hours	1
Changes without Community Input	1
Allow Road & Driveway	1
Motel	1
Light at Night	1
Passenger Train	1

Question #3: "If you are working, what is your primary occupation?"		Question #3: "If Other, please list"		Question #4: "If you responded to #3, please tell us where you work."	
Professional	22	Retired	5	In Toledo	35
Other	17	Education	2	11-25 miles of Toledo	15
Skilled Trade	10	Homemaker	2	Within 10 miles of Toledo	3
Retail or related services	7	Social Service	2	More than 25 miles from Toledo	0
Technical	4	Clerical in construction	1		
Manufacturing	3	Financial services	1		
		Food service manager	1		
		Government	1		
		Operations technician/OCA	1		
		Volunteer	1		

Question #5: "What types of jobs are most needed in Toledo?"		Question #6: "What kinds of employers would you like to see in Toledo?"	
Retail or related services	45	Outdoor recreation or tourism	48
Professional	42	Small-scale manufacturing	46
Technical	40	Retail or related service	45
Manufacturing	39	Boat repair and marine related	42
Skilled Trade	36	Natural resource related	41
Other	23	Hospitality and entertainment	37
None	3	Restaurant/food service	36
		Medical services	35
		Skilled trades	34
<i>"Other" uses listed:</i>		Computer systems repair or development	33
Hospitality/tourism/campgrounds	3	Resource manufacturing or processing	33
Restaurants (fine dining, bakery/ice-cream, and fast food)	3	Scientific or engineering	30
Community college	2	Food processing	26
Not sure/other	2	Art sales or galleries	23
A combination of all		Other	23
Any kind that pays a living wage		Professional services	21
Anything, but anything that generates jobs and security			
Artist related		<i>Other uses listed:</i>	
Blue-collar, semi-skilled		Costco, Walgreens, Lowes, or Home Depot	3
Businesses do research to figure out where to locate. We don't need to be concerned about that.		Movie theater, theme park, 4-H fair, outdoor recreation, live music	3
Diversity is good		A combination of all	
jobs for retirees		Anything that would put people to work	
Marine		Anything--We need a Corp or established biz that employs many employees	

Non-skilled jobs	Auto-RV-Truck manufacturer, outlet mall (see #2), pharmacy
Nothing noxious smelling or discharging	Buy S&K, put microbrewery or other tourist attraction
Pharmacy	Clothing store
Road & Driveway Corp	Community college/extension ed.
Unique businesses will bring people to Toledo	Emphasis on healthy restaurants
We have enough manufacturing already	Employment for young people
	Keep Toledo small and low profile. No food (fish or fruit) processing
	large businesses that provide jobs
	no food processing-not enough local products-would need products brought in = disposal problems. Resource manufacturing would create environmental hazards
	Nursing home
	other
	Rx
	Summer weekend train passenger service from Valley
	Warehouse market
	We need more jobs for people who don't have college degrees.

Question #7: "What additional infrastructure and city services would your household be willing to pay for to help attract businesses to Toledo?"

Improve community amenities	33
Improve community appearance in these areas	27
Parks and open space	27
Marketing community to interested employers	27
Downtown	25
Residential areas	21
Hwy 20 business loop	20
Streets and utilities	20
Workforce training	18
Additional staff time for code enforcement	17
Highway 20 commercial development	15
Utility upgrades	15
Industrial areas	12
Establish design standards	10

**Question #8: "Where are the best places for industrial development in Toledo?
(Please describe)"**

TIP Area	18
Bus. Hwy 20	9
Sturdevant Road	7
Port/Waterfront	4
Outer City Limits	4
Hwy 20/Bay Rd	3
Away from Bus 20/Com-Retail/School Areas	3
Butler Bridge Rd/GP	3
Olalla/Hwy 20	3
Airport	3
Unsure	3
US Hwy 20	2
None/Have Enough Already	2
Hwy 229	1
East Slope Road	1
Skelton Road	1

Appendix D

Toledo Economic Opportunities Analysis Sample Code Language

Industrial Districts – Setback Yards; Industrial Buffers

Background: This section is intended to provide flexibility in development. The standards ensure compliance with fire and building codes, separation between industrial district uses and adjacent residential areas, and pedestrian connections through large developments.

A. Purpose. Setback yards and buffers provide separation between industrial and non-industrial uses for fire protection/security, building maintenance, sunlight and air circulation, noise buffering, and visual separation.

B. Applicability. The setback yard and buffer standards in subsections C-F are minimum standards that apply to buildings, accessory structures, parking areas, mechanical equipment, and other development, but not buffers as required under subsection F). In granting a Conditional Use Permit, the approval body may increase the standard yards and/or buffers consistent with the criteria elsewhere in the Code. The approval body may also decrease the standard yards and/or buffers through the CUP process, provided that all applicable building and fire safety codes are met.

C. Front and Street Yard Setbacks.

1. General Industrial (GI) District: Minimum of [20] feet;
2. Light Industrial (LI) District: Minimum of [10] feet

D. Rear Yard Setbacks.

1. General Industrial (GI) District: Minimum of [20] feet where adjacent to a Commercial or Industrial District, except common wall buildings with 0-setback are allowed;
2. Light Industrial (LI) District: Minimum of [10] feet where adjacent to a Commercial or Industrial District, except common wall buildings with 0-setback are allowed;
3. Industrial District (GI or LI) Abutting a Residential District: Minimum of [40] feet, and conformance with the RL height step-down standards in Section 2.2.170.C.

E. Side Yard Setbacks. There are no required side-yard setbacks, except a minimum of [20-40] feet and conformance with the RL height step-down standards in Section 2.2.170.C is required when an Industrial District (GI or LI) abuts an RL District.

F. Buffering and Other Yard Requirements.

1. **Buffering:** In order to promote compatibility among neighboring uses, the following buffering standards are established for this zone:
 - a. When abutting a residentially zoned property, an evergreen hedge, evergreen trees or sight-obscuring fence in compliance with [list applicable sections] of this Ordinance must be placed to screen the view of storage areas and operations.
 - b. Fences shall not be less than six feet nor more than eight feet in height. Evergreen hedges or trees shall not be less than six feet in height.
 - c. Additional or alternative measures may be prescribed by the City in the event of differences of elevation or other circumstances that would negate the purpose of this buffer.
 - d. The approval body may require landscaping, fences, walls or other buffering that exceed the landscaping standards in this section or in [list applicable sections] when

it finds through Site Design Review , Conditional Use Permit review, and/or Master Planned Development review, as applicable, that more or different buffering is necessary mitigate adverse noise, light, glare, and/or aesthetic impacts to adjacent properties.

2. **Pedestrian Access.** The approval body may require the construction of pedestrian access ways through required buffers to ensure pedestrian connections within large developments, between multiple development phases, or connecting to public sidewalks, walkways, or multi-use pathways. The design of access ways shall conform to Section 3.1.300.

Industrial Districts – Lot Coverage

Background: This section 2.4.130 is intended to provide flexibility in development while ensuring some provision of open space for landscaping and storm water management.

- A. General Industrial (GI) District:** Maximum lot coverage, including all impervious surfaces, [80-90] percent.
- B. Light Industrial (LI) District:** Maximum lot coverage, including all impervious surfaces, [70-80] percent.

Industrial Districts – Development and Use Standards

Background: Section is intended to provide flexibility in development while providing for compatibility of industrial uses through the application of objective development and use standards. This section also ensures the creation of a local street network in large developments (LI District only).

Statutes and Regulations: This section implements parts of Transportation Planning Rule (OAR 660-012-0045) related to the formation of connected street systems.

- B. Development and Use Standards.** Industrial uses and developments shall be oriented on the site to minimize adverse impacts (*e.g.*, noise, glare, smoke, dust, exhaust, vibration, etc.) and to provide compatibility with adjacent uses. The following standards shall apply to all permitted development in the General Industrial and Light Industrial Districts. If any standard of this Chapter is found to be in conflict with or contradict any other provision of this Ordinance, regulation or state administrative rule or statute, the more restrictive shall govern.
- C. Existing Uses.** All uses shall comply with the standards set forth in this ordinance. However, any use which did not comply with these standards when this ordinance was enacted may be permitted to continue so long as the degree of nonconformity is not increased.
- D. Administration of Development and Use Standards.** No building permit or other permit for construction or use in the General Industrial or Light Industrial zone shall be issued until plans have been reviewed by the City in order to evaluate compliance with the standards described herein.
 1. All uses shall meet all applicable standards and regulations of the Oregon State Board of Health, the Oregon Department of Environmental Quality, and any other public agency having jurisdiction over the property.

2. In addition to the requirements described in [Article 4], the City may require the applicant to furnish sufficient information to the City to ensure that the development will comply with all standards set forth in this ordinance. The City, in order to determine compliance, may require:
 - a. A description of the activity to be conducted regarding external effects or other conditions which are regulated herein and the inherent dangers of those effects; provided however, that the applicant shall not be required to reveal any trade secrets of sufficient detail to publicly reveal proprietary information.
 - b. A description of the activity regarding production, storage and disposal of waste products, including but not limited to solid waste, chemical waste, food waste, spent yeast and hops, or other organic waste.
 - c. A description of the types and locations of devices to control, measure or record waste products or external effects and ensure compliance with this ordinance, including but not limited to [list devices- for example, HVAC systems and stacks].
 - d. Such other data and certification as may be reasonably required by the City to reach a determination.
3. All information and evidence submitted in applications to indicate conformity to these standards shall constitute a certification and an agreement on the part of the applicant that the proposed use can and will conform to such standards at all times. If a valid complaint is filed regarding adherence to standards within this Section, the [applicant] shall be responsible to demonstrating compliance.

E. Standards.

1. Noise: As permitted under [Section 9.04.100] of this Code and other applicable local, state or federal regulations.
2. Air Quality: Emissions must be in compliance with air quality standards set by the State of Oregon Department of Environmental Quality and in compliance with any other applicable local, state or federal regulations.
3. Service Facilities and Outside Storage: All outdoor storage, including temporary storage, shall be in compliance with the following:
 - a. In addition to requirements in Section 1.52.020 of this Ordinance, outside storage within ten feet of a property line shall have screening that is at least one ft. higher than the service facilities, materials, equipment or products being stored, with a maximum of [8 feet]. When the storage area is located adjacent to a residential zone and outside a required setback line, and is greater than ten feet from a property line, standard screening requirements in Section 1.52.020 of this Ordinance shall apply.
 - b. When located adjacent to a residential zone, outdoor components associated with heat pumps, ground-level air conditioning units and similar kinds of equipment that create noise shall not be placed within any required setback area.
4. Delivery and Loading Facilities: Delivery and loading facilities are not permitted in required setback areas. On lots abutting parcels zoned for residential development, delivery and loading facilities shall be set back a minimum of 20 feet from abutting property lines.
5. Odor: As permitted under applicable local, state or federal regulations.
6. Hours of Operation:

- a. Primary activities on the site shall occur between [7 a.m. and 7 p.m.] unless the applicant shows by clear and convincing evidence to the City's satisfaction that the normal operating characteristics for the specific type of industry is such that longer or different hours of operation are necessary.
- b. Operation of compressor, refrigeration, and other equipment incidental to the primary activity, which is necessary to be operated beyond the period specified, shall be exempt from this standard only, provided that the noise standards specified in [Section 9.04.100] of this Code are met. Detailed descriptions of the equipment and justification for its operation outside of the time period specified shall be submitted as part of the original application and sites plan, or as part of any expansion or alteration of use.

Industrial Districts – Building and Structure Height

The maximum allowable height of buildings and structures in the GI and LI districts is [35] feet, except that taller buildings and structures are allowed when approved as part of a Conditional Use Permit, provided they conform to the RL height step-down standards in Section 2.2.170.C.

Additional standards, which were either not recommended or not reviewed by the Committee:

Full Enclosure: All operations, including processing, manufacturing and production, uses shall be fully enclosed [*in Light Industrial areas, or within a certain proximity of residentially zoned property*]. Such uses that are not enclosed uses shall be conditionally permitted.

Heat, Glare and Exterior Lighting: All sources of heat and glare (direct or reflected artificial light) from any source, shall comply with the following:

- a. Except for exterior lighting, operations producing heat and/or glare shall normally be conducted entirely within an enclosed building.
- b. Exterior lighting shall be shielded, directed down onto the site, and directed away from adjacent property.
- c. Exterior lighting must not be greater than [28 feet] in height,
- d. Glare produced by the lights of motor vehicles shall not be cast on dwelling units or buildings located on adjacent properties.

(Additional) Service Facilities and Outside Storage: All outdoor storage, including temporary storage, shall be in compliance with the following:

- a. Outside storage, including temporary storage, shall not exceed 15% of permitted coverage of the lot
- b. Trash dumpsters, gas meters, ground-level air conditioning units and other mechanical equipment, other service facilities and outdoor storage shall be enclosed within a structure or concealed behind a solid wall, fence, sight-obscuring hedge or vegetation planting, chain link fence with slats, berm, or other sight-obscuring visual screening, consistent with the screening requirements in 2.4.140, 3.2.500 and 3.2.300 of this Ordinance.

Compatibility Standards. The City may require a site plan review/neighborhood compatibility meeting to modify areas of the plan for greater compatibility to surrounding areas. Modifications may include:

- a. Locating offices, parking, loading, storage, or manufacturing areas relative to adjacent residential uses, with a preference for offices adjacent to residential uses.
- b. Window and lighting locations
- c. Setbacks and building heights
- d. Location of equipment storage, loading and mechanical equipment
- e. Requirement for outdoor areas for employee use

Notes

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